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)

MOTION RECORD
(Returnable September 27, 2017)
(Re: Directions on Joint Plan and Stay Extension)

September 21, 2017

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Lawyers for the Applicants

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(Applicants)

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TAB 1

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(Applicants)

NOTICE OF MOTION
(Returnable September 27, 2017)
(Re: Directions on Joint Plan and Stay Extension)

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. (collectively, the "**Applicants**"), will make a motion to a judge presiding over the Commercial List at 9:30 a.m. on September 27, 2017 at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING:

The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order substantially in the form of the draft Order included at Tab 3 of the Applicants' Motion Record:[1]

(a) Extending the Stay Period (referred to in the Initial Order of the Honourable Mr. Justice Newbould dated October 31, 2016, as amended and restated) until December 15, 2017; and

(b) Authorizing and directing the Applicants to solicit votes from Holders of General Unsecured Claims, Holders of Parent Equity Interests and other persons who may be determined by the Bankruptcy Court to be eligible to vote on the joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and its affiliated debtors (the "**Joint Plan**") in accordance with procedures (the "**Solicitation Procedures**"), as and if, established by the Bankruptcy Court in the Chapter 11 Cases and to distribute the Disclosure Statement, Ballots and other materials in the solicitation package (the "**Solicitation Materials**"), as and if, approved by the Bankruptcy Court to Holders of General Unsecured Claims and Parent Equity Interests and other persons who may be determined by the Bankruptcy Court to be eligible to vote on the Joint Plan.

(c) Ordering that PSG shall not be required to hold any meeting of its shareholders to consider the Joint Plan or vote on the Joint Plan and the Solicitation Procedures and Solicitation Materials shall be sufficient for compliance with applicable Canadian securities law and corporate law under the British Columbia *Business Corporations Act* (the "**BCBCA**");

(d) Ordering that the Applicants shall not be required to file a plan of compromise or arrangement under the CCAA or the BCBCA to make the Joint Plan effective in Canada; and

[1] Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Joint Plan (defined below).

(e) Scheduling the CCAA Approval Order Hearing for November 21, 2017 at 11:00 a.m. and granting certain ancillary relief in respect of the CCAA Approval Order Hearing.

2. Such further and other relief as this Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Background

3. On October 31, 2016, the Applicants sought and obtained the CCAA Initial Order from this Canadian Court providing creditor protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") to facilitate a going-concern sale transaction for the benefit of the Applicants' stakeholders. On the same date, the Applicants also filed for creditor protection (together with the CCAA Proceedings, the "**Bankruptcy Proceedings**") in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") under the Bankruptcy Code;

4. Pursuant to the Initial Order, Ernst & Young Inc. was appointed as monitor (the "**Monitor**") of the Applicants in the CCAA Proceedings;

5. On February 6, 2017, after the conclusion of a Court-approved sales process, the Canadian Court and Bankruptcy Court issued and entered the Sale Orders which, among other things, named Peak Achievement Athletics Inc. (f/k/a 9938982 Canada Inc.) or its designate as the successful bidder and approved the Purchase Agreement dated October 31, 2016, as amended and the contemplated sale transaction;

6. Closing of the Sale contemplated under the Purchase Agreement was announced on February 28, 2017;

Joint Plan and CCAA Approval Order

7. Following the Sale, the Applicants engaged in discussions with their stakeholders, including the Creditors' Committee and Equity Committee, and the Monitor to determine an efficient method to wind-up the Bankruptcy Proceedings. During the discussions the

Applicants were advised that a plan of arrangement would be necessary or desirable to effect the Global Settlement and distributions to the Applicants' stakeholders in the Chapter 11 Cases even though distributions to creditors could proceed under the CCAA without a plan of compromise or arrangement, given that all Allowed General Unsecured Claims are to be paid in full (without Post-Petition Interest to the extent it would have been allowable);

8. At the request of the Equity Committee and in consultation with the Monitor, the Applicants also explored various alternate plan structures to potentially monetize tax assets of the U.S. Debtors for the benefit of the Applicants' stakeholders. Following exploration of these alternative structures, the Applicants and the Equity Committee determined that the alternate plan structures were not reasonably practicable under the circumstances or cost effective;

9. In the end, the Applicants determined the most efficient method to wind-up the Bankruptcy Proceedings was to proceed with the Joint Plan in the Chapter 11 Cases which effects a liquidation of the Applicants remaining assets, including the Sale Proceeds and potential Retained Causes of Action. If authorized by the Canadian Court in the CCAA Proceedings, the Applicants, supported by the Monitor, intend to seek a CCAA Approval Order to give effect to the substance of the Joint Plan in Canada and empower the Applicants and the Monitor to perform the actions contemplated by or described in by the Joint Plan or as may be necessary, appropriate or desirable to effectuate the Joint Plan;

10. Seeking the CCAA Approval Order, without the formality of a plan of compromise or arrangement under the CCAA, is intended to save on costs and prevent potential inconsistencies between the Joint Plan and a potential plan of compromise or arrangement under the CCAA;

Global Settlement

11. The Joint Plan incorporates a global settlement among the Applicants' stakeholders compromising and settling remaining potential issues and controversies in the Bankruptcy Proceedings. The Global Settlement provides for, among other things: (a) payment in full of all Allowed General Unsecured Claims (including General Unsecured Claims of Canadian Holders) without Post-Petition Interest (to the extent it would have been allowable); (b) the

resolution of all disputes regarding the treatment of Intercompany Claims and Equity Interests; (c) the resolution of all disputes regarding allocation of value among the Applicants and the allocation of the Sale Proceeds; and (d) the resolution of all disputes regarding substantive consolidation of the Applicants;

12. The Global Settlement is expected to save on professional fees and result in an efficient administration of the Applicants' estates which will maximize the recovery of the Applicants' stakeholders;

Solicitation Process

13. Holders of General Unsecured Claims and Parent Equity Interests are eligible to vote to accept or reject the Joint Plan;

14. The Applicants have filed a motion in the Chapter 11 Cases with specific Solicitation Procedures (including voting procedures) on the Joint Plan (the "**Solicitation Motion**") that is intended to apply to all Holders of General Unsecured Claims and Parent Equity Interests, including Canadian Holders of General Unsecured Claims and Parent Equity Interests. The Solicitation Motion is scheduled to be considered by the Bankruptcy Court on October 6, 2017;

15. In accordance with the Solicitation Procedures contemplated by the Solicitation Motion, Holders of General Unsecured Claims and Parent Equity Interests are expected to receive Solicitation Materials, including a copy of the Disclosure Statement (together with the Joint Plan and other exhibits annexed thereto), the appropriate Ballot with a pre-addressed, pre-paid return envelope to vote to accept or reject the Joint Plan, a Liquidation Trust Certification Form, and other notice material related to the Confirmation Hearing;

16. As contemplated by the Solicitation Motion, Holders of General Unsecured Claims and Parent Equity Interests are expected to have until November 13, 2017 to submit a Ballot to accept or reject the Joint Plan;

17. In the circumstances, it is appropriate for the Applicants to solicit votes from Holders of General Unsecured Claims and Parent Equity Interests in accordance with the Solicitation

Procedures established by the Bankruptcy Court and for the Canadian Court to order that a meeting of PSG's shareholders is not required to consider or vote on the Joint Plan;

CCAA Approval Order Hearing

18. The Applicants are seeking to schedule the CCAA Approval Order Hearing for November 21, 2017 and establish a litigation timetable for the CCAA Approval Order Hearing, including a deadline for parties to object to entry of the CCAA Approval Order;

19. The Bankruptcy Court has scheduled the Confirmation Hearing for November 21, 2017 and by the terms of the Joint Plan, the CCAA Approval Order Hearing is required to be a joint hearing with the Confirmation Hearing;

20. The Solicitation Motion seeks to a establish a deadline of November 13, 2017 for parties to file objections to confirmation of the Joint Plan;

21. Given that the CCAA Approval Order Hearing is required to be a joint hearing between the Canadian Court and Bankruptcy Court, it is appropriate to schedule the CCAA Approval Order Hearing at this time and establish a timetable that is consistent with the objection deadline in the Chapter 11 Cases contemplated by the Solicitation Motion, in order for the CCAA Approval Order Hearing to proceed in an efficient manner;

Stay Extension

22. The Applicants are seeking to extend the Stay Period to December 15, 2017;

23. The extension of the Stay Period will allow the Applicants to solicit votes on the Joint Plan and continue their other efforts to wind-up the Bankruptcy Proceedings, including claims reconciliation and resolution in accordance with the Claims Resolution Order;

24. The Monitor supports the extension of the Stay Period to December 15, 2017;

25. The Applicants have acted and continue to act in good faith and with due diligence and no creditor will suffer any material prejudice if the Stay Period is extended;

General

26. The provisions of the CCAA, including sections 11 and 11.02 thereof, and the inherent and equitable jurisdiction of this Canadian Court;

27. Rules 1.05, 2.03, 3.02, 5.04 and 37 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

28. Such further and other grounds as counsel may advise and this Canadian Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The Affidavit of Keisha Lackpatiah-Sealy sworn September 21, 2017 and the Exhibits attached thereto;

2. The Eleventh Report of the Monitor, to be filed; and

3. Such further and other materials as counsel may advise and this Canadian Court may permit.

September 21, 2017

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Lawyers for the Applicants

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 OLD PSG WIND-DOWN LTD. ET. AL.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

NOTICE OF MOTION
(RETURNABLE SEPTEMBER 27, 2017)

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Lawyers for the Applicants

TAB 2

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

ONTARIO
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(Applicants)

AFFIDAVIT OF KEISHA LACKPATIAH-SEALY
(Sworn September 21, 2017)

I, KEISHA LACKPATIAH-SEALY, of the City of Oshawa, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a legal assistant with Stikeman Elliott LLP, counsel to 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 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. in their proceedings under the *Companies' Creditors Arrangement Act*.

2. Attached hereto as Exhibit "A" is a copy of the joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and its affiliated debtors (the "**Joint Plan**") filed with the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") on August 25, 2017.

3. Attached hereto as Exhibit "B" is a copy of the disclosure statement in respect of the Joint Plan (the "**Disclosure Statement**") filed with the Bankruptcy Court on August 25, 2017.

4. Attached hereto as Exhibit "C" is a copy of the Applicants' motion to, among other things, approve the Disclosure Statement and establish procedures for voting procedures on the Joint Plan, (the "**Solicitation Motion**") which was filed with the Bankruptcy Court on September 12, 2017. I am informed by Lee Nicholson, a lawyer with Stikeman Elliott LLP, and believe that a hearing in respect of the Solicitation Motion is scheduled to proceed before the Bankruptcy Court on October 3, 2017.

5. I am also informed by Lee Nicholson and believe that the Applicants intend to provide the Court and stakeholders with a preliminary draft of the Order to be sought in the CCAA Proceedings in connection with confirmation of the Joint Plan prior to the return of this motion.

SWORN BEFORE ME at the City of Toronto, Province of Ontario, on September 21, 2017. Commissioner for Taking Affidavits Lee Nicholson	**Keisha Lackpatiah-Sealy**

EXHIBIT "A"

EXHIBIT "A"

referred to in the Affidavit of

KEISHA LACKPATIAH-SEALY

Sworn September 21, 2017

Commissioner for Taking Affidavits

6781026 v1

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: OLD BPSUSH INC., *et al.*, Debtors.[1]	Chapter 11 Case No. 16-12373 (KJC) (Jointly Administered)

JOINT CHAPTER 11 PLAN OF LIQUIDATION
OF OLD BPSUSH INC. AND ITS AFFILIATED DEBTORS

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Counsel to the Debtors and Debtors-in-Possession

Dated: August 25, 2017

[1] The Debtors in these cases, along with the last four digits of each Debtor's U.S. federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively) (1514). The Debtors' mailing address is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

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INTRODUCTION

Old BPSUSH Inc., and the other debtors and debtors in possession in the above-captioned cases, as set forth on Exhibit A hereto, propose the following joint chapter 11 plan of liquidation for, among other things, the resolution of the outstanding Claims against and Equity Interests in the Debtors. Reference is made to the Disclosure Statement for a discussion of the Debtors' history, business, and operations, projections, risk factors, a summary and analysis of this Plan, and certain related matters. Parties are encouraged to read this Plan and the Disclosure Statement and their respective exhibits and schedules in their entirety before voting to accept or reject this Plan. All such agreements, documents, exhibits, schedules and the Plan Supplement are incorporated into and are made a part hereof as if fully set forth herein. No materials other than the Disclosure Statement and the respective schedules and exhibits attached thereto and referenced therein have been authorized by the Bankruptcy Court for use in soliciting acceptances or rejections of this Plan.

I. DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, GOVERNING LAW AND OTHER REFERENCES

A. Defined Terms

The following terms have the meanings below when used in capitalized form in this Plan:

1. "Administrative Claim" means any right to payment constituting a cost or expense of administration of any of the Chapter 11 Cases under sections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses of preserving the Estates and operating the Debtors' businesses, and any indebtedness or obligations incurred or assumed by the Debtors in connection with the conduct of their business, but excluding Fee Claims, the Canadian Fee Claims, or U.S. Trustee Fees.

2. "Administrative Claims Bar Date" means the first Business Day that is thirty (30) days after the Effective Date (or any date(s) otherwise ordered by the Bankruptcy Court), except in the case of claims of the Canada Revenue Agency or any other Canadian or provincial taxing authority for which a post-petition tax return must be filed, in which cases the Administrative Claims Bar Date shall be the Business Day that is ninety (90) days after the filing of such return.

3. "Affiliate" and "Affiliated" means, with respect to any Person, any Person who is an "affiliate" as defined in section 101(2) of the Bankruptcy Code.

4. "Allowed" means, with reference to any Claim, Administrative Claim against, or Equity Interest in, the Debtors:

    a. any Claim other than a Satisfied Claim that is scheduled in a liquidated, undisputed and not contingent amount in the Schedules as of the Claims Objection Deadline, as such Schedules have been or may be amended by the Debtors from, time to time, in accordance with Bankruptcy Rule 1009, and for which no contrary Proof of Claim has been filed;

b. any Claim or Administrative Claim allowed pursuant to this Plan;

c. any Claim or Administrative Claim other than a Satisfied Claim that is not Disputed prior to the earlier of (a) the making of any distribution with respect thereto, or (b) the Claims Objection Deadline;

d. any Claim, Administrative Claim or Equity Interest that is compromised, settled, resolved or otherwise allowed (i) pursuant to a Final Order of the Bankruptcy Court or the Canadian Court; (ii) by the Monitor as authorized in the CCAA Proceedings; or (iii) otherwise in accordance with this Plan;

e. any Intercompany Claim or Intercompany Equity Interest;

f. any Parent Equity Interest that is reflected as a current Equity Interest in the books and records of the Parent Debtor or in the books and records of the Depository Trust Company or Clearing and Depository Services Inc. on the Effective Date, including, but not limited to, those Parent Equity Interests held by those Holders who elect to receive Beneficial Trust Interests; or

g. any Parent Equity Interest in respect of restricted share units having vested in the ordinary course of business prior to the Petition Date and deferred share units granted or owing (including, for greater certainty, those which were not granted due to the stay of proceedings in the Chapter 11 Cases and CCAA Proceedings) to a director of the Parent Debtor prior to the Effective Date, all of which shall be identified in the Plan Supplement.

Claims and Equity Interests allowed solely for the purpose of voting to accept or reject this Plan pursuant to an order of the Bankruptcy Court are not "Allowed" hereunder. An Allowed Claim shall be net of any setoff or recoupment amount of any Claim that may be asserted by any Debtor against the Holder of such Claim, which amount shall be deemed setoff or recouped pursuant to the terms of this Plan.

5. "Asset Apportionment" has the meaning ascribed to such term in Article V.B.3(b) of this Plan.

6. "Assets" means all of the Debtors' right, title and interest in and to property of whatever type and nature (real, personal, mixed, intellectual, tangible or intangible).

7. "Avoidance Action" means any avoidance or equitable subordination or recovery action under sections 105, 502(d), 510, 542 through 551, and 553(b) of the Bankruptcy Code, or similar avoidance or fraudulent transfer actions under applicable non-bankruptcy law.

8. "Ballot" means the form distributed to each Holder of an Impaired Claim or Equity Interest that is entitled to vote to accept or reject this Plan and on which such Holder is entitled to indicate, among other things, acceptance or rejection of this Plan.

9. "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as in effect on the Petition Date, together with all amendments and modifications thereto that are subsequently made applicable to the Chapter 11 Cases.

10. "Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware.

11. "Bankruptcy Rules" means: (a) the Federal Rules of Bankruptcy Procedure, as amended and promulgated under section 2075 of title 28 of the United States Code; (b) the applicable Local Rules of Bankruptcy Practice and Procedure of the Bankruptcy Court; and (c) any general or specific chamber rules or procedures, or standing orders governing practice and procedure issued by the Bankruptcy Court, each as in effect on the Petition Date, and each of the foregoing together with all amendments and modifications thereto that are subsequently made applicable to the Chapter 11 Cases or proceedings therein, as the case may be.

12. "Bar Date" means the deadlines for filing proofs of Claim for a particular type of Claim or an Administrative Claim against a Debtor as established by either (a) the *Order (I) Establishing Bar Dates for Filing Claims and (II) Approving the Form and Manner of Notice Thereof* [Docket No. 327] and the Claims Procedure Order of the Canadian Court dated December 19, 2016 pursuant to which general Proofs of Claim were due by February 6, 2017 and Proofs of Claim by a Governmental Unit were due by May 1, 2017; (b) the *Order, Pursuant to Sections 365, 501, 502, and 503 of the Bankruptcy Code and Bankruptcy Rules 2002, 3002 and 3003, (I) Authorizing the Debtors to Reject Certain Employment Agreements, Nunc Pro Tunc to February 27, 2017 and (II)(A) Establishing a Bar Date for Employees to File Proofs of Claim and (B) Approving the Form and Manner of Notice Thereof* [Docket No. 1005] and that Order of the Canadian Court dated April 10, 2017, pursuant to which Proofs of Claim in respect of Claims of employees of the Debtors were due by May 17, 2017; (c) any other order of the Bankruptcy Court or the Canadian Court; and/or (d) this Plan.

13. "Beneficial Trust Interest" means a beneficial interest in the Liquidation Trust, which interest shall be uncertificated and which shall be non-transferable except as expressly provided otherwise in the Liquidation Trust Agreement to be included in the Plan Supplement.

14. "Board of Directors" means the board of directors of a Debtor.

15. "Business Day" means any day, other than a Saturday, Sunday, a "legal holiday," as defined in Bankruptcy Rule 9006(a), or a "holiday" as defined in the Rules of Civil Procedure, R.R.O., 1990, Reg. 194.

16. "Canadian Approval Hearing" means the hearing by the Canadian Court to consider the motion for approval of the CCAA Approval Order, as such hearing may be adjourned or continued from time to time, and which shall be a joint hearing with the Confirmation Hearing before the Bankruptcy Court, if permitted by the Bankruptcy Court and the Canadian Court.

17. "Canadian Claims" means Claims filed against the Canadian Debtors other than Securities Law Claims and the SEC Claim.

18. "Canadian Court" means the Ontario Superior Court of Justice (Commercial List).

19. "Canadian Debtors" means the Debtors incorporated under the laws of Canada or its Provinces: Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the former estates of the Debtors formerly known as KBAU Holdings Canada Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively, which former estates shall constitute "Canadian Debtors," as applicable).

20. "Canadian Fee Claims" means any Claim for compensation of fees and expenses of a Canadian Professional.

21. "Canadian Professionals" means the Canadian counsel to the Debtors, Canadian counsel to the directors of the Debtors, Canadian ordinary course professionals who were used by the Debtors after the Petition Date and exempted from retention by the Bankruptcy Court, the Monitor and counsel to the Monitor, whose retention and payment is determined by the Canadian Court in the CCAA Proceedings in accordance with the Cross-Border Protocol, as necessary.

22. "Canadian Sale Proceeds Account" means the Canadian account established by the Monitor pursuant to the Sale Orders into which certain Sale Proceeds (as defined in the U.S. Sale Order) were deposited in accordance with the Initial Allocation (as defined in the Purchase Agreement).

23. "Canadian Sale Order" means collectively (a) the Approval and Vesting Order dated February 6, 2017; (b) the Order (Re: Q30 Settlement Agreement) dated February 10, 2017; and (c) the Order (Re: Stay Extension and Other Relief) dated July 17, 2017, all issued by the Canadian Court in the CCAA Proceedings.

24. "Cash" means the legal tender of the United States of America or the equivalent thereof, including bank deposits and checks.

25. "Causes of Action" means, any and all of the Debtors' actions, causes of action, Avoidance Actions, controversies, liabilities, obligations, rights, suits, damages, defenses, judgments, Claims, third-party claims, cross-claims, counterclaims and demands whatsoever, whether known or unknown, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, secured or unsecured, whether assertable by the Debtors directly, indirectly, derivatively or in any representative or other capacity, now existing or hereafter arising, in law, equity, or otherwise, based in whole or in part upon any act, failure to act, error, omission, transaction, occurrence or other event arising or occurring prior to the Petition Date or during the course of the Chapter 11 Cases and CCAA Proceedings, including through the Effective Date, other than those released, enjoined, exculpated, sold, or otherwise limited or prohibited under this Plan, the Purchase Agreement, the Confirmation Order or other Final Order. For the avoidance of doubt, Causes of Action include: (i) any right of setoff, counterclaim or recoupment and any Claim for breach of contract or for breach of duties imposed by law or in equity; (ii) the right to object to Claims or Equity Interests (subject to the provisions of this Plan); (iii) any Claim pursuant to section 362 or chapter 5 of the Bankruptcy Code; (iv) any Claim or defense including fraud, mistake, duress and usury and any other defenses set forth in section 558 of the Bankruptcy Code; and (v) any state law fraudulent transfer Claim.

26. "Cause of Action Net Proceeds" has the meaning ascribed to such term in Article V.B.4 of this Plan.

27. "CCAA" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

28. "CCAA Approval Order" means an order granted by the Canadian Court that shall be in a form substantially similar to that in the Plan Supplement and in form and substance reasonably satisfactory to the Debtors, the Monitor, and the Committees, that shall conform to and be fully integrated into the provisions of this Plan, and that shall be an order, among other things; (a) approving the Global Settlement; (b) authorizing the Debtors to enter into and consummate the Plan Transactions; (c) wholly or partially discharging and releasing the CCAA Charges; (d) authorizing the Monitor or the Distribution Agent to make the distributions to the Debtors' stakeholders that are contemplated by this Plan and the CCAA Approval Order, as the case may be; (e) appointing the Liquidation Trustee as the Litigation Representative with sole power and authority, on behalf of the Liquidation Trust and the Debtors, to investigate, prosecute, abandon, settle, liquidate, or otherwise resolve the Retained Causes of Action and to exercise all of the powers, rights and privileges described in Article V.E.11 hereof without further order of the Canadian Court or the Bankruptcy Court; (f) enforcing such other aspects of this Plan as may be appropriate in the opinion of the Debtors and the Monitor; (g) granting protections reasonably satisfactory to the Monitor in respect of acting as a Distribution Agent and continuing to act as the Monitor after the Effective Date; (h) declaring that the distributions contemplated by the CCAA Approval Order and this Plan shall not constitute "distributions" for purposes of Canadian taxing statutes and the Debtors, their directors and officers and the Monitor shall not be "distributing" for purposes of any Canadian taxing statute and shall not incur any liability for any distributions or payments made pursuant to the CCAA Approval Order or this Plan; and (i) granting related relief.

29. "CCAA Approval Order Date" means the date on which the Canadian Court enters the CCAA Approval Order.

30. "CCAA Charge Claims" means any Claim secured by the CCAA Charges, other than Fee Claims and Canadian Fee Claims.

31. "CCAA Charges" means the charges and/or Liens on the Assets granted by the Canadian Court under the CCAA Initial Order.

32. "CCAA Initial Order" means the Initial Order of the Canadian Court dated October 31, 2016, as such order has been amended, modified, and extended from time to time.

33. "CCAA Proceedings" means the proceedings commenced by the Debtors' under the CCAA and pending before the Canadian Court.

34. "Chapter 11 Case(s)" means the Debtors' cases pending before the Bankruptcy Court under chapter 11 of the Bankruptcy Code that are jointly administered under the case caption *In re Old BPSUSH Inc.*, Ch. 11 Case No. 16-12373 (KJC) (Bankr. D. Del. Oct. 31, 2016).

35. "Chief Wind-Down Officer" means a Person designated by the Equity Committee, with the consent of the Debtors, Monitor and Creditors' Committee (not to be unreasonably withheld), who will be identified in the Plan Supplement.

36. "Claim" means "claim" as defined in section 101(5) of the Bankruptcy Code.

37. "Claims and Solicitation Agent" means Prime Clerk LLC.

38. "Claims Objection Deadline" means, with respect to U.S. Claims, (a) one hundred eighty (180) days after the Effective Date, or (b) such other date as the Bankruptcy Court may order upon motion of the Reorganized Parent Debtor or the Liquidation Trustee, in consultation with the Monitor. The filing of a motion to extend the Claims Objection Deadline shall automatically extend the Claims Objection Deadline until the Bankruptcy Court enters a Final Order on such motion. If the Bankruptcy Court enters an order denying such motion, the Claims Objection Deadline shall be the later of the then-current Claims Objection Deadline or thirty (30) days after the Bankruptcy Court's entry of such order.

39. "Claims Resolution Order" means an order of the Canadian Court, in form and substance reasonably satisfactory to the Committees, the Monitor and the Debtors, determining the process for determining, estimating or otherwise resolving the Canadian Claims.

40. "Claims Register" means the official register of Claims maintained by the Claims and Solicitation Agent.

41. "Class" means a class of Holders of Claims or Equity Interests pursuant to section 1122(a) of the Bankruptcy Code.

42. "Clearance Certificate" means an interim or final clearance certificate from the CRA or the applicable taxing authority of a provincial government or Governmental Unit to the Debtors, the Monitor or Liquidation Trustee, as applicable, confirming that as at the time of applicable distribution there are no unpaid liabilities owing to the CRA or such taxing authority or Governmental Unit and no such liabilities result from the applicable distribution made pursuant to this Plan or the CCAA Approval Order.

43. "Collateral" means any property or interest in property of an Estate subject to a Lien, not otherwise subject to avoidance under the Bankruptcy Code, to secure the payment or performance of a Claim.

44. "Comfort Letters" means letters delivered from each of the Quebec Revenue Agency and the CRA or the applicable taxing authority of a provincial government or Governmental Unit to the Monitor, in a form satisfactory to the Monitor, confirming that the Monitor may make distributions to the Debtors' creditors without being considered a "legal representative" within the meaning under the *Income Tax Act*, R.S.C., 1985, c. 1., (5th Supp.), or under other applicable Canadian provincial or federal fiscal laws.

45. "Committees" means collectively, the Creditors' Committee and the Equity Committee.

46. "Confirmation" or "Confirmed" means the entry of the Confirmation Order on the Docket of the Chapter 11 Cases by the Bankruptcy Court.

47. "Confirmation Date" means the date on which the Bankruptcy Court enters the Confirmation Order on the Docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

48. "Confirmation Hearing" means the hearing held by the Bankruptcy Court to consider confirmation of this Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time and which shall be a joint hearing with the CCAA Approval Hearing before the Canadian Court, if permitted by the Bankruptcy Court and the Canadian Court.

49. "Confirmation Order" means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

50. "Consumer Privacy Ombudsman" means Michael St. Patrick Baxter, the consumer privacy ombudsman appointed in the Chapter 11 Cases [Docket No. 523].

51. "Consummation" or "Consummated" means the occurrence of the Effective Date.

52. "Cost Sharing Agreement" has the meaning ascribed to such term in Article V.B.4 of this Plan.

53. "CRA" means the Canada Revenue Agency, also known as the Agence du revenu du Canada.

54. "Creditor" has the meaning set forth in section 101(10) of the Bankruptcy Code.

55. "Creditors' Committee" means the statutory committee of unsecured creditors appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code, as constituted from time to time [Docket No. 116].

56. "Cross-Border Protocol" means the cross-border protocol approved by the Bankruptcy Court in these Chapter 11 Cases [Docket No. 220] and approved by the Canadian Court on November 30, 2016.

57. "Cure Costs" means any and all amounts, costs or expenses that must be paid or actions that must be performed pursuant to sections 365 and 1123 of the Bankruptcy Code in connection with the assumption and/or assignment of Executory Contracts.

58. "Debtor" or "Debtors" means individually, or collectively, each of the debtors and debtors in possession listed on Exhibit A annexed hereto.

59. "Debtor Releasees" means:

   a. the Monitor;
   b. the U.S. Professionals;
   c. Alvarez & Marsal North America, LLC and Alvarez & Marsal Canada ULC, (including, for the avoidance of doubt, Brian J. Fox);
   d. the Canadian Professionals;
   e. in each case of the Debtor Releasees in (a) through (d) hereof, such Debtor Releasees' partners, members, employees, attorneys, accountants, investment bankers, consultants, representatives and other professionals; and
   f. the other Debtors and the rank and file employees of the other Debtors who are not officers of any Debtor (*i.e.*, employees below the level of Vice President or similar title);

provided, however, that, for the avoidance of doubt, KPMG LLP and any Affiliate thereof is not and shall not be deemed to be a Debtor Releasee.

60. "Disallowed Election" shall have the meaning set forth in Article IV.B.7.

61. "Disclosure Statement" means the disclosure statement relating to this Plan, including, all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

62. "Disclosure Statement Order" means the order of the Bankruptcy Court approving the Disclosure Statement and solicitation procedures for this Plan.

63. "Disputed" means, with reference to any Claim, Administrative Claim or Equity Interest:

   a. any Claim or Administrative Claim proof of which was timely and properly filed and (i) which is disputed under this Plan; (ii) as to which the Debtors or any other party in interest have interposed or interpose a timely objection and/or request for estimation in accordance with section 502(c) of the Bankruptcy Code and Bankruptcy Rule 3018, which objection and/or request for estimation has not been withdrawn or determined by a Final Order; or (iii) as to which the Monitor has served a notice of disallowance and which notice of disallowance has not been withdrawn, resolved or determined by a Final Order, or the date to appeal such notice of disallowance (in accordance with the Claims Resolution Order) has not expired.

   b. any Claim or Administrative Claim, proof of which was required to be filed by the Bar Date, but as to which a Proof of Claim was not timely and/or properly filed by such applicable Bar Date;

c. any Claim scheduled on the Schedules as unliquidated, disputed or contingent, and that is not superseded by a timely filed Proof of Claim; or

d. any Claim or Equity Interest subject to an objection or a notice of disallowance or for which an adversary proceeding has been commenced seeking, among other things, entry of an order disallowing and/or subordinating such Claim or Equity Interest.

For the avoidance of doubt, any U.S. Claim that has not been allowed or disallowed by Final Order or under this Plan as of the Claims Objection Deadline is a Disputed Claim (solely for purposes of determining whether a distribution must be made on such Claim before the Claims Objection Deadline). To the extent an objection relates to the allowance of only a part of a Claim, such Claim is a Disputed Claim only to the extent of the objection, and is an Allowed Claim as to the portion of the Claim against which no objection was made.

64. "Distribution Agent" means (a) from the Effective Date to the Final Monitor Distribution Date, the Reorganized Parent Debtor as to the Reserves other than the Individual Securities Damages Claim Reserve, and otherwise the Monitor; and (b) following the Final Monitor Distribution Date, any Person(s) selected by the Monitor, Reorganized Parent Debtor or the Liquidation Trustee, as applicable, to make or to facilitate distributions required by this Plan, which Person(s) may include the Claims and Solicitation Agent, the Depository Trust Company, Clearing and Depository Services Inc., the Liquidation Trustee, the Monitor and/or the Reorganized Parent Debtor.

65. "Distribution Record Date" means, with respect to Allowed Claims, the record date for purposes of making distributions under this Plan and the CCAA Approval Order on account of Allowed Claims, which date shall be the later of the Confirmation Date and the CCAA Approval Order Date. There shall be no Distribution Record Date on account of Parent Equity Interests.

66. "Distribution Date" means any date selected by the Distribution Agent for making distributions required by this Plan.

67. "Docket" means the official docket of pleadings maintained by the clerk of the Bankruptcy Court for the Chapter 11 Cases.

68. "Effective Date" means the date that is the Business Day after which all conditions precedent to the occurrence of the Effective Date set forth in Article IX.B of this Plan have been satisfied or waived in accordance with Article IX.D of this Plan selected by the Debtors as set forth in the Notice of Effective Date.

69. "Entity" has the meaning set forth in section 101(15) of the Bankruptcy Code.

70. "Equity Committee" means the statutory committee of Holders of Equity Interests appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code, as constituted from time to time [Docket No. 202].

71. "Equity Interest" means all issued, authorized, and outstanding common shares or other instrument evidencing a present ownership interest in any of the Debtors, whether or not transferable, including any restricted share units having vested in the ordinary course of business prior to the Petition Date and deferred share units granted or owing (including, for greater certainty, those which were not granted due to the stay of proceedings in the Chapter 11 Cases and CCAA Proceedings) to a director of the Parent Debtor prior to the Effective Date and are listed in the Plan Supplement. For the avoidance of doubt, an "Equity Interest" does include deferred shared units owing to directors of the Parent Debtor that may not have been granted due to the stay of proceedings in the Chapter 11 Cases and the CCAA Proceedings and are listed in the Plan Supplement, but does not include any other contingent or unexercised option, warrant, or right, contractual or otherwise, to acquire or be awarded any interest in any Debtor, including but not limited to unvested restricted share units or other forms of interest, all of which shall be cancelled by this Plan on the Effective Date.

72. "Estate(s)" means the bankruptcy estate(s) of the Debtors created under sections 301 and 541 of the Bankruptcy Code on the Petition Date.

73. "Exculpated Actions" has the meaning set forth in Article X.C of this Plan.

74. "Exculpated Parties" means the Debtors, the Monitor, the Consumer Privacy Ombudsman, the Creditors' Committee, the Equity Committee and any of their respective members, partners, officers, directors, employees, advisors, professionals or agents and advisors of the foregoing (including any attorneys, financial advisors, investment bankers and other professionals retained by the Debtors, the Monitor, the Consumer Privacy Ombudsman, the Creditors' Committee, and the Equity Committee) but solely in their capacities as such, and all Professionals; provided, however, that "Exculpated Parties" shall not include KPMG LLP or any Affiliates thereof.

75. "Executory Contract" means a contract to which one or more of the Debtors are party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

76. "Federal Judgment Rate" means 0.98% per annum, which is the post-judgment interest rate in effect as of the Petition Date established by Section 1961(a) of Title 28 of the United States Code and provided by the Federal Reserve and published every Monday for the preceding week.

77. "Fee Claim" means an Administrative Claim under sections 328, 330(a), 331 or 503 of the Bankruptcy Code for compensation of a U.S. Professional for services rendered or expenses incurred in the Chapter 11 Cases on or prior to the Effective Date (including, but not limited to, transaction fees, other success fees and the reasonable expenses of the members of the Creditors' Committee and Equity Committee incurred as members of the Creditors' Committee or Equity Committee in discharge of their duties as such). For the avoidance of doubt, (i) the claims of Alvarez & Marsal North America, LLC for services performed and expenses incurred in accordance with its retention order entered in these Chapter 11 Cases [Docket No. 222] do not constitute Fee Claims, and are payable in accordance with such retention order; and (ii) in accordance with the Cross-Border Protocol, the Canadian Fee Claims are not Fee Claims and are payable as set forth in the Cross-Border Protocol.

78. "Fee Claims Bar Date" means the date that is forty-five (45) days after the Effective Date.

79. "Fee Examiner" means M.J. Renick & Associates LLC.

80. "Fee Examiner Order" means that certain Order Appointing Fee Examiner and Establishing Related Procedures for Compensation and Reimbursement of Expenses for Professionals and Consideration of Fee Applications [Docket No. 521].

81. "Final Decree" means the decree contemplated under Bankruptcy Rule 3022.

82. "Final Distribution Date" means the date selected by agreement of the Liquidation Trustee, Monitor and the Reorganized Parent Debtor, which date shall be no later than sixty (60) days after the date on which (i) all Retained Causes of Action shall have been settled, abandoned, or fully adjudicated; (ii) all Disputed Claims in the Chapter 11 Cases have been Allowed or disallowed; (iii) the Monitor shall have certified to the Canadian Court that all Disputed Canadian Claims against the Canadian Debtors have been finally resolved; and (iv) the Debtors or Monitor shall have obtained all applicable Clearance Certificates confirming that all applicable taxes have been paid in advance of final distributions to Holders of Allowed Parent Equity Interests.

83. "Final Monitor Distribution Date" means the date on which all Initial Cash Distributions have been made.

84. "Final Order" means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction (including the Canadian Court as applicable), which has been entered on the Docket, and that has not been stayed, reversed, modified or amended and as to which the time to file an appeal, a motion for re-hearing, re-argument or reconsideration or a petition for writ of certiorari has expired or been waived, and as to which no appeal, petition for certiorari, or other proceedings for re-argument, reconsideration or re-hearing are then pending; provided, however, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not preclude such order from being a Final Order.

85. "General Unsecured Claim" means an unsecured non-priority Claim against a Debtor that is not an Administrative Claim, Fee Claim, Canadian Fee Claim, U.S. Trustee Fee, CCAA Charge Claim, Secured Claim, Priority Tax Claim, Priority Non-Tax Claim, SEC Claim, Purported Securities Class Action Claim, Individual Securities Damages Claim, or Intercompany Claim.

86. "Global Settlement" means the settlement and compromise negotiated among the Debtors, Equity Committee and Creditors' Committee and recommended by the Monitor and incorporated in this Plan and approved by the Canadian Court pursuant to the CCAA Approval Order.

87. "Governmental Unit" has the meaning set forth in section 101(27) of the Bankruptcy Code.

88. "Holdback Amount" means, with respect to Fee Claims, amounts held back pursuant to an order or orders of the Bankruptcy Court, including the Interim Compensation Order.

89. "Holdback Amount Reserve" means a reserve funded on or before the Effective Date for the payment of the Holdback Amount for Professionals and payment of any additional unpaid amounts asserted or estimated by the Professionals and Alvarez & Marsal North America, LLC as owing to any such firm for fees accrued prior to the Effective Date, which amount shall be determined by the Debtors prior to the Effective Date after consultation with the Committees and Monitor.

90. "Holder" means any Entity holding a Claim or Equity Interest.

91. "Impaired" means, with respect to any Claim or Equity Interest or Class thereof, a Claim or an Equity Interest or Class thereof that is "impaired" within the meaning of section 1124 of the Bankruptcy Code.

92. "Individual Securities Damages Claim" means Proof of Claim number 494 filed by the Plumbers & Pipefitters National Pension Fund, in its individual capacity, asserting Securities Law Claims against the Parent Debtor.

93. "Individual Securities Damages Claim Reserve" means a reserve in an aggregate amount not to exceed $928,077 that will be funded on or before the Effective Date for the purposes of making distributions in respect of and satisfying the Allowed amount, if any, of the Individual Securities Damages Claim, subject to the rights of Holders of General Unsecured Claims to the prior Payment in Full of such Holders' Allowed Claims under the Plan (including the Global Settlement).

94. "Initial Cash Distributions" has the meaning ascribed to such term in Article V.B.3(b) of this Plan.

95. "Initial CCAA Approval Order" has the meaning ascribed to such term in Article IX.A.2 of this Plan.

96. "Initial Distribution Date" means the first Business Day as soon as practicable after the later of (i) the Effective Date and (ii) the receipt by the Monitor of the Comfort Letters, or such other date as may be reasonably determined by the Distribution Agent, on which distributions to Holders of Allowed Claims shall be made.

97. "Insured Persons" means (a) any past or present directors or officers of any Debtor, (b) any Person who is or was a "defacto", "shadow", or "acting" director or officer, or is or was deemed to be a director or officer, of any Debtor, (c) any Person who is or was contracted to perform the duties of any officer of any Debtor, (d) any Person who is or was a trustee, governor, advisory board member, management committee member, management board member, general partner or equivalent position of any Debtor, (e) any Person who held or holds a title, position, or capability in any Debtor equivalent to a director or officer, and (f) any other Person that is determined to be an "Insured Person" as defined under the Liberty International Underwriters Public Advantage Liability Policy for Directors and Officers, Policy Number DOMOAA0JFA003 (as amended).

98. "Intercompany Claim" means any Claim held by a Debtor against another Debtor.

99. "Intercompany Equity Interest" means any Equity Interest held by a Debtor in another Debtor.

100. "Interim Compensation Order" means the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals, dated November 29, 2016 [Docket No. 226].

101. "Interim Distribution Date" means any date after the Initial Distribution Date on which the Distribution Agent determines that an interim distribution should be made under this Plan in light of, among other things, resolutions of Disputed Claims and the administrative costs of such a distribution.

102. "Lien" has the meaning set forth in section 101(37) of the Bankruptcy Code.

103. "Liquidation Trust" means the trust created pursuant to this Plan and the Liquidation Trust Agreement.

104. "Liquidation Trust Advisory Board" means the advisory board of Persons appointed to oversee the administration of the Liquidation Trust, which shall have the powers and duties set forth in the Liquidation Trust Agreement and shall be designated by the Equity Committee with the consent of the Monitor and the Debtors, which consent is not to be unreasonably withheld, and after consultation with the Creditors' Committee, as identified in the Plan Supplement.

105. "Liquidation Trust Agreement" means the agreement governing the administration of the Liquidation Trust, in form and substance acceptable to the Equity Committee, substantially in the form to be filed in the Plan Supplement.

106. "Liquidation Trust Assets" has the meaning set forth in Article V.E.1 of this Plan.

107. "Liquidation Trust Beneficiary" means a beneficial Holder of a Beneficial Trust Interest.

108. "Liquidation Trust Certification Bar Date" means the deadline established by the Disclosure Statement Order for the Debtors to receive valid Liquidation Trust Certification Forms through the Claims and Solicitation Agent, Depository Trust Company and/or Clearing and Depository Services Inc., which date shall be the same date as the Voting Deadline.

109. "Liquidation Trust Certification Form" means the form whereby a beneficial Holder of a Parent Equity Interest elects to receive Beneficial Trust Interests in exchange for its Parent Equity Interests through tender of its Parent Equity Interests effective as of the Effective Date.

110. "Liquidation Trustee" means the person selected by the Equity Committee and designated in the Plan Supplement as the trustee of the Liquidation Trust, or any successor thereto.

111. "Liquidation Trust Expense Reserve" means the reserve established on or before the Effective Date to hold Cash in an amount sufficient to satisfy the Wind-Down Expenses of the Liquidation Trust, Reorganized Parent Debtor and the Debtors in an amount not to exceed the amount permitted under Rev. Proc. 94-45 and to be set forth in the Plan Supplement, as proposed by the Equity Committee.

112. "Litigation Representative" means the Liquidation Trustee as representative of the Debtors and the Liquidation Trust in respect to the Retained Causes of Action, including, but not limited to, for the purposes set forth in Article V.E.12 hereof.

113. "Monitor" means Ernst & Young Inc., in its capacity as the Canadian Court-appointed monitor in the CCAA Proceedings.

114. "Notice of Effective Date" means the notice filed on the Docket by the Debtors, after consultation with the Monitor and the Committees, that the Effective Date has occurred.

115. "Opt-Out Notice" means the form distributed to each Holder of an Unimpaired Claim on which such Holder is to indicate whether it opts-out of granting the releases provided for in Article X.B of this Plan.

116. "Option 1" has the meaning ascribed to it in Article IV.C.7.b of this Plan.

117. "Option 2" has the meaning ascribed to it in Article IV.C.7.b of this Plan.

118. "Paid in Full" or "Payment in Full" or "Pay in Full" each mean, with respect to an Allowed Claim, payment in Cash in an aggregate amount equal to the Allowed amount thereof, whether paid by a Debtor, the Monitor, the Purchaser, the Distribution Agent or any other Person, and whether taking the form of a cure payment, payment by a Debtor on accounts payable, payment by Purchaser on accounts payable, or otherwise.

119. "Parent Debtor" means Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd.).

120. "Parent Equity Interest" means an Equity Interest in the Parent Debtor.

121. "Person" means a natural person, corporation, limited liability company, association, partnership (whether general, limited, or any other form of partnership entity), joint venture, proprietorship, estate, trust, labor union, Governmental Unit or any other individual or entity, whether acting in an individual, fiduciary, representative or other capacity, including the U.S. Trustee, within the meaning of section 101(15) of the Bankruptcy Code.

122. "Petition Date" means October 31, 2016.

123. "Plan" means this *Joint Chapter 11 Plan of Liquidation of Old BPUSH Inc. and its Affiliated Debtors* (as it may be altered, amended, modified or supplemented from time to time, and including the Plan Supplement, regardless of whether the Plan Supplement is also separately referenced in any given Article of this Plan).

124. "Plan Supplement" means the supplemental appendix to this Plan, to be filed by the Debtors on or prior to the date that is five (5) Business Days prior to the Voting Deadline, which will contain, among other things: (a) the names of the Director(s) that will serve on the Board of Directors of each of the Debtors after the Effective Date; (b) the name of the Chief Wind-Down Officer selected as of the Effective Date; (c) the name of the Liquidation Trustee selected as of the Effective Date; (d) the names of the members of the Liquidation Trust Advisory Board; (e) the proposed form of the Liquidation Trust Agreement; (f) the restricted stock units and deferred share units that will be treated as Parent Equity Interests under this Plan; and (g) any amendments to the Reorganized Parent Debtor's organizational documents to be made on the Effective Date. The Plan Supplement will be in form and substance reasonably satisfactory to the Debtors and the Committees.

125. "Plan Transactions" has the meaning ascribed to such term in Article V.A of this Plan.

126. "Post-Petition Interest" means simple interest per annum at the Federal Judgment Rate, based on a three hundred sixty (360)-day year for the period from the Petition Date to, but excluding, the Effective Date.

127. "Priority Non-Tax Claim" means any Claim, other than an Administrative Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code or otherwise entitled to priority under Canadian law, including Claims of employees or former employees of the Debtors of the kind described in subsection 6(5) of the CCAA.

128. "Priority Tax Claim" means any Claim of a Governmental Unit of the kind specified in sections 502(i) or 507(a)(8) of the Bankruptcy Code and any Claim of the Canadian federal and provincial governments of the kind described in subsection 6(3) of the CCAA.

129. "Privileges" shall have the meaning set forth in Article V.E.11 of this Plan.

130. "Professional" means a Canadian Professional or U.S. Professional.

131. "Proof of Claim" means a proof of Claim filed in the Chapter 11 Cases and CCAA Proceedings in accordance with the form that was jointly approved by the Bankruptcy Court and Canadian Court.

132. "Pro Rata" means the proportion that an Allowed Claim or an Allowed Equity Interest in a particular Class bears to the aggregate amount of all Allowed Claims or Allowed Equity Interests in that same Class.

133. "Purchase Agreement" means that certain *Asset Purchase Agreement* (as amended) dated as of October 31, 2016, between Performance Sports Group Ltd. and the other entities identified therein as sellers and the Purchaser and as approved by the Sale Orders.

134. "Purchased Assets" means the assets acquired by the Purchaser through the Purchase Agreement, as further described therein.

135. "Purchaser" means, collectively, Peak Achievement Athletics Inc. (f/k/a 9938982 Canada Inc.) or any Designated Purchaser (as defined in the Purchase Agreement).

136. "Purported Securities Class Action Claim" means the Proof of Claim number 444 (as may be amended) asserting Securities Law Claims filed by the Plumbers & Pipefitters National Pension Fund, purportedly on behalf of itself and a putative class of other claimants.

137. "Reinstated" or "Reinstatement" means, unless this Plan specifies a particular method pursuant to which a Claim or Interest shall be Reinstated, with respect to Claims and Interests, the treatment provided for in section 1124 of the Bankruptcy Code.

138. "Rejection Damages Claim" means a Claim for damages arising from the rejection of any Executory Contract pursuant to this Plan, sections 365 or 1123 of the Bankruptcy Code, or a notice of disclaimer or resiliation sent by the Debtors in the CCAA Proceedings pursuant to the CCAA.

139. "Released Claims" has the meaning set forth in Article X.A of this Plan.

140. "Releasing Party" means each Holder of a Claim that (i) affirmatively votes to accept this Plan; (ii) is Unimpaired pursuant to this Plan and therefore is deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code; or (iii) rejects this Plan or abstains from voting on this Plan and that does not mark its Ballot indicating its desire to opt out of the releases provided in Article X.B of this Plan. For the avoidance of doubt, "Releasing Party" shall not include Holders of Parent Equity Interests, or Holders of Claims that either: (a) are deemed to reject this Plan pursuant to section 1126(g) of the Bankruptcy Code; (b) are entitled to vote on this Plan and opt out of granting the releases provided in Article X.B of this Plan by checking the appropriate box on the Ballot; or (c) are deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code and opt out of granting the releases provided in Article X.B of this Plan by checking the appropriate box on the Opt-Out Notice.

141. "Reorganized Debtors" means the Reorganized Parent Debtor and any other Debtor from and after the Effective Date, pending its eventual dissolution.

142. "Reorganized Parent Debtor" means the Parent Debtor from and after the Effective Date, as reorganized pursuant to this Plan pending its eventual dissolution.

143. "Reserves" means, collectively, the Liquidation Trust Expense Reserve, the Holdback Amount Reserve and the Individual Securities Damages Claim Reserve.

144. "Retained Causes of Action" means all Causes of Action of the Parent Debtor or any Subsidiary Debtor as of the Effective Date other than any Cause of Action that has been (i) assigned to Purchaser pursuant to the Purchase Agreement or Sale Orders, or (ii) settled or released under this Plan or otherwise settled or released prior to the Effective Date, including but not limited to those settled or released 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, and (III) Granting Adequate Protection to Prepetition Secured Lenders Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364; and (IV) Granting Related Relief* [Docket No. 229], the *Order Approving Stipulation By and between the Debtors and 9938982 Canada Inc. and Affiliates Regarding Purchase Agreement Escrow* [Docket No. 1197], the CCAA Initial Order, the Order (Re: Stay Extension and Other Relief) dated July 17, 2017 of the Canadian Court in the CCAA Proceeding.

145. "Sale" means the sale of substantially all of the Debtors assets to Purchaser in accordance with and pursuant to the Sale Orders.

146. "Sale Orders" means collectively the U.S. Sale Order and Canadian Sale Order.

147. "Sale Proceeds" means, in aggregate, the proceeds from the Sale on deposit in the Canadian Sale Proceeds Account and the U.S. Sale Proceeds Account.

148. "Satisfied Claim" means any Claim that has been Paid in Full or otherwise satisfied after the Petition Date whether by the Debtors, Purchaser or otherwise, including any Cure Costs for executory contracts assumed and assigned in connection with the Sale.

149. "Schedule" or "Schedules" means collectively or individually, the schedules of assets and liabilities filed by the Debtors under section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as may be amended or modified from time to time pursuant to Bankruptcy Rule 1009.

150. "SEC" means the U.S. Securities and Exchange Commission.

151. "SEC Claim" means the claim filed by the U.S. Securities and Exchange Commission (as may be amended, Proof of Claim No. 599).

152. "Secured Claim" means any Claim, in each case as determined pursuant to sections 506(a) and 1111(b) of the Bankruptcy Code, that is: (a) secured by a valid, perfected and enforceable Lien on property in which the Estates have an interest and that is not subject to avoidance under applicable bankruptcy or non-bankruptcy law, to the extent of the value of the Claim Holder's interest in such property as of the Confirmation Date; or (b) subject to setoff under section 553 of the Bankruptcy Code to the extent of the amount subject to setoff.

153. "Securities Law Claim" 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 Bankruptcy Code or comparable principles of Canadian law.

154. "Shareholder Distributable Assets" has the meaning ascribed to such term in Article V.B.3(a) of this Plan.

155. "Subsidiary Debtor" means a Debtor other than the Parent Debtor, both before and after the Effective Date.

156. "Third-Party Releasees" means the Debtors, the Monitor, the Creditors' Committee, the Equity Committee and the Consumer Privacy Ombudsman or any of their respective current members, partners, officers, directors, employees, advisors, professionals, or agents and advisors of any of the foregoing (including any attorneys, financial advisors, investment bankers and other professionals retained by such Persons) but solely in their capacities as such.

157. "U.S." means the United States of America.

158. "U.S. Claims" means Claims filed against the U.S. Debtors and the SEC Claim.

159. "U.S. Debtors" means the Debtors incorporated in the United States: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.); Old BH Inc. (f/k/a Bauer Hockey, Inc.); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.); and Old PSGI Inc. (f/k/a PSG Innovation Inc.).

160. "U.S. Parent" means Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.).

161. "U.S. Professional" means a Person: (a) retained by order of the Bankruptcy Court in connection with the Chapter 11 Cases pursuant to sections 327, 328, 330, or 1103 of the Bankruptcy Code, but excluding any ordinary course professionals retained pursuant to an order of the Bankruptcy Court, or (b) for which compensation or reimbursement is sought or has been Allowed by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code, including, without limitation, all professionals retained by the Debtors, Creditors' Committee, and Equity Committee.

162. "U.S. Sale Order" means collectively (a) the Order (A) Approving the Asset Purchase Agreement; (B) Approving the Sale to the Purchaser Substantially All of the Assets of the Debtor Pursuant to Section 363 of the Bankruptcy Code Free and Clear of All Liens, Interests, and Encumbrances; (C) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Pursuant to Section 363 of the Bankruptcy Code; (D) Authorizing the Debtors to Consummate Transaction Related to the Above; and (E) Granting Related Relief and [Docket No. 770]; and (b) the Order (Supplemental) Approving the Waiver and Consent Agreement Resolving the Q30 Parties' Objection to the Debtors' Sale of Substantially All of the Debtors' Assets to the Stalking Horse Purchaser [Docket No. 799] and (c) the *Order Approving Stipulation By and between the Debtors and 9938982 Canada Inc. and Affiliates Regarding Purchase Agreement Escrow* [Docket No. 1197].

163. "U.S. Sale Proceeds Account" means the U.S. account established by the Debtors pursuant to the Sale Orders into which certain Sale Proceeds (as defined in the U.S. Sale Order) were deposited in accordance with the Initial Allocation (as defined in the Purchase Agreement).

164. "U.S. Trustee" means the United States Trustee for the District of Delaware.

165. "U.S. Trustee Fees" means fees arising under 28 U.S.C. § 1930(a)(6) or accrued interest thereon arising under 31 U.S.C. § 3717.

166. "Undeliverable Distribution" means any distribution under this Plan on account of an Allowed Claim or Parent Equity Interest to a Holder that has not: (a) accepted a particular distribution or, in the case of distributions made by check, negotiated such check; (b) responded to the Distribution Agent's requests for information necessary to facilitate a particular distribution; or (c) taken any other action necessary to facilitate such distribution.

167. "Unimpaired" means with respect to a Claim or Equity Interest in a Debtor or a Class thereof, a Claim or Equity Interest or Class thereof that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

168. "Voting Deadline" means the last date by which Holders of Claims or Equity Interests entitled to vote to accept or reject this Plan may submit their Ballots to accept or reject this Plan, as set by the Bankruptcy Court.

169. "Wind-Down Expenses" has the meaning set forth in Article V.B.4 of this Plan.

B. Rules of Interpretation

Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include both the singular and the plural and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and neuter. Unless otherwise specified, all section, article, schedule, or exhibit references in this Plan are to the respective Section in, Article of, Schedule to, or Exhibit to, this Plan. The words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to this Plan as a whole and not to any particular section, subsection, or clause contained in this Plan. Except for the rule contained in section 102(5) of the Bankruptcy Code, which shall not apply, the rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of this Plan. A term used herein that is not defined herein, but that is used in the Bankruptcy Code, shall have the meaning ascribed to that term in the Bankruptcy Code. The headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of this Plan. The Plan Supplement and appendices to this Plan are incorporated into this Plan by reference and are a part of this Plan as if set forth in full herein. The documents contained in the exhibits and the Plan Supplement shall be approved by the Bankruptcy Court pursuant to the Confirmation Order. Holders of Claims and Equity Interests may inspect a copy of the Plan Supplement, once filed, in the Office of the Clerk of the Bankruptcy Court during normal business hours, or free of charge at https://cases.primeclerk.com/PSG/ or https://www.ey.com/ca/psg.

C. Computation of Time

Bankruptcy Rule 9006(a) applies in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur, or be required to be done, shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

D. Governing Law

Except as otherwise set forth in this Plan (including as to the Canadian Debtors) and except to the extent the Bankruptcy Code or Bankruptcy Rules apply, and subject to the provisions of any contract, lease, instrument, release, or other agreement or document entered into expressly in connection herewith, the rights and obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to conflict-of-laws principles; provided, that the corporate governance matters shall be governed by the laws of the state or province of incorporation or formation of the applicable Debtor, the Monitor and matters related to the conduct of the CCAA Proceedings shall be governed by the CCAA and other applicable Canadian law, and the Canadian Claims shall be addressed in the CCAA Proceedings in a manner approved by the Canadian Court.

E. Reference to Monetary Figures

All references in this Plan to monetary figures refer to currency of the U.S., unless otherwise expressly provided.

F. Separate Plans

Although styled as a "joint" plan, this Plan consists of eighteen (18) separate Plans (one for each of the Debtors' Chapter 11 Cases). If any Plan is not Confirmed, then the Debtors reserve the right to withdraw such Plan.

G. No Substantive Consolidation

The Estates of the Debtors have not been substantively consolidated. Nothing in this Plan shall constitute or be deemed to constitute an admission that one Debtor is subject to or liable for any Claim against any other Debtor, except as expressly provided through the Global Settlement.

II. GLOBAL SETTLEMENT

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under this Plan, on the Effective Date, the provisions of this Plan constitute a good-faith compromise and settlement of all Claims against and Equity Interests in the Debtors and other disputes or potential disputes among the Debtors, and among the Debtors and any of the Creditors' Committee and Equity Committee as set forth in this Plan. The Monitor is prepared to recommend approval of the Global Settlement to the stakeholders and the Canadian Court.

This Global Settlement, among other things: (a) provides for the Payment in Full of Allowed General Unsecured Claims without Post-Petition Interest (to the extent it would have been allowable); (b) resolves the treatment of Intercompany Claims; (c) resolves the allocation of the Sale Proceeds among the Debtors and any disputes regarding the valuation of the Debtors; and (d) settles any question regarding substantive consolidation of some or all of the Estates.

In accordance with the Global Settlement, the Debtors, the Monitor and the Committees will not dispute or object to the allocation of the Sale Proceeds, or other Assets, in accordance with this Plan, and will not seek substantive consolidation of any or all of the Debtors. For the avoidance of doubt, any Reinstatement of Intercompany Claims and Intercompany Equity Interests shall not be deemed to impact, impair, affect, determine, release, waive, modify or limit the rights to distributions or payments on account of General Unsecured Claims under this Plan. All such Reinstated Intercompany Claims and Intercompany Equity Interests are subordinate in right of payment to payment of Allowed General Unsecured Claims under this Plan.

The Disclosure Statement and this Plan shall be deemed to be a motion requesting the Bankruptcy Court's approval of the Global Settlement. The Bankruptcy Court may approve the Global Settlement at the Confirmation Hearing and the Canadian Court may approve the Global Settlement at the Canadian Approval Hearing. In the event any objections to the Global Settlement are timely filed, the Debtors will request that the Bankruptcy Court and Canadian Court schedule a joint hearing with respect thereto, which may be the Confirmation Hearing/Canadian Approval Hearing.

For the avoidance of doubt, to the extent that this Plan is not Confirmed by Final Order, the Global Settlement is not approved by the Canadian Court by Final Order, or the Effective Date does not occur, then the Global Settlement will be void *ab initio* in all respects, and the rights of the Debtors, Monitor and the Committees with respect to the subject matter of the Global Settlement will be preserved, including, without limitation, the right to seek confirmation of a Chapter 11 plan pursuant to Bankruptcy Code Section 1129(b) and right to seek sanctioning of a plan of compromise and arrangement under the CCAA.

III. TREATMENT OF UNCLASSIFIED CLAIMS

In accordance with section 1123(a)(l) of the Bankruptcy Code, Administrative Claims, CCAA Charge Claims, Canadian Fee Claims, Fee Claims, U.S. Trustee Fees and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims set forth in Article IV of this Plan. The Plan provides for the following designation and treatment of unclassified Claims:

A. Administrative Claims

1. Administrative Claims Treatment

Except to the extent that (a) an Allowed Administrative Claim has been previously Paid in Full during the Chapter 11 Cases, (b) this Plan provides for other treatment of an Allowed Administrative Claim, or (c) the Holder of an Allowed Administrative Claim agrees to less favorable treatment, on or as soon as reasonably practicable after the later of (i) the Effective Date or (ii) the first Business Day after the date that is thirty (30) days after the date an Administrative Claim becomes an Allowed Claim, each Holder of an Allowed Administrative Claim shall be Paid in Full in Cash.

2. <u>Administrative Claims Bar Date</u>

The Holder of an Administrative Claim, other than: (a) a Fee Claim; (b) claims of Alvarez & Marsal North America, LLC for services performed and expenses incurred in accordance with its retention order entered in the Chapter 11 Cases [Docket No. 222]; (c) an Administrative Claim that has been Allowed on or before the Effective Date; (d) a claim for U.S. Trustee Fees, or (e) the Canada Revenue Agency or any other Canadian or provincial taxing authority for which a post-petition tax return must be filed, must submit to the Claims and Solicitation Agent a request for such Administrative Claim so as to be received by 5:00 p.m. (prevailing Eastern Time) on the date that is no more than thirty (30) days after service of the Notice of Effective Date. Such request must include at a minimum: (i) the name of the Debtor(s) that are purported to be liable for the Administrative Claim; (ii) the name of the Holder of the Administrative Claim; (iii) the amount of the Administrative Claim; (iv) the basis of the Administrative Claim; and (v) all supporting documentation for the Administrative Claim.

The Canada Revenue Agency or any other Canadian or provincial taxing authority for which a post-petition tax return must be filed must submit to the Claims and Solicitation Agent or the Monitor a request for such Administrative Claim so as to be received by 5:00 p.m. (prevailing Eastern Time) on the date that is no more than ninety (90) days after the applicable post-petition tax return has been filed.

FAILURE TO FILE AND SERVE SUCH REQUEST TIMELY AND PROPERLY SHALL RESULT IN THE ADMINISTRATIVE CLAIM BEING FOREVER BARRED AND UNABLE TO COLLECT FROM THE ASSETS OF THE DEBTORS.

B. Fee Claims

1. Fee Claims Generally

All Fee Claims must be filed with the Bankruptcy Court and served on (i) the Liquidation Trustee and its counsel, (ii) the U.S. Trustee, (iii) U.S. counsel to the Debtors, (iv) counsel to the Creditors' Committee, (v) counsel to the Equity Committee, and (vi) the Fee Examiner, no later than the Fee Claims Bar Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court in the Chapter 11 Cases, including Docket Nos. 226 and 521, the Bankruptcy Court shall determine the Allowed amounts of such Fee Claims. For the avoidance of doubt, (i) any Canadian Fee Claims shall be paid in accordance with the Cross-Border Protocol and do not need to be filed with the Bankruptcy Court on or before the Fee Claims Bar Date and (ii) the fees of any U.S. Professional retained pursuant of an order of the Bankruptcy Court shall be paid in accordance with the orders of the Bankruptcy Court and do not need to be filed with the Canadian Court.

FAILURE TO PROPERLY FILE AND SERVE FINAL FEE APPLICATIONS BY THE FEE CLAIMS BAR DATE SHALL RESULT IN THE UNDERLYING FEE CLAIMS BEING FOREVER BARRED AND UNABLE TO COLLECT FROM THE DEBTORS' ESTATES.

2. Objections to Fee Claims

Objections to Fee Claims, if any, must be filed and served on the party asserting the objectionable Fee Claim and each of the parties to be served with a Fee Claim under this Plan no later than twenty (20) days after the filing of the Fee Claim or such other date as may be established by the Bankruptcy Court. Additionally, the Fee Examiner shall review Fee Claims as set forth in the Fee Examiner Order.

3. Payment of Fee Claims

Upon entry of an order by the Bankruptcy Court Allowing a Fee Claim, the Distribution Agent shall promptly pay the applicable U.S. Professional the Allowed Fee Claim from the Holdback Amount to the extent necessary to pay the Allowed Fee Claim in full *less* any amounts previously received by such U.S. Professional pursuant to the Interim Compensation Order. If the Holdback Amount for any given U.S. Professional is less than the Allowed Fee Claim, the Distribution Agent shall promptly pay the difference to the U.S. Professional from the Sale Proceeds notwithstanding the insufficiency of the Holdback Amount. For the avoidance of doubt, (i) the Interim Compensation Order will govern the payment and allowance of any Fee Claim through the Effective Date and (ii) Canadian Fee Claims shall be paid by the Debtors in accordance with the Cross-Border Protocol and any procedures adopted by the Canadian Court.

4. Success and Transaction Fee Applications

Applications for the allowance and payment of success and transaction fees, unless approved by the Bankruptcy Court prior to the Confirmation Date, must be filed with the

Bankruptcy Court and served on (i) the Liquidation Trustee and its counsel, (ii) the U.S. Trustee, (iii) U.S. counsel to the Debtors, (iv) counsel to the Creditors' Committee, and (v) counsel to the Equity Committee no later than forty-five (45) days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court in the Chapter 11 Cases, the Bankruptcy Court shall determine the Allowed amounts of such success and transaction fees, if any, which Allowed amounts the Distribution Agent shall promptly pay.

FAILURE TO FILE AND SERVE A TRANSACTION FEE APPLICATION IN A TIMELY MANNER SHALL RESULT IN THE UNDERLYING CLAIM BEING FOREVER BARRED AND THE HOLDER THEREOF UNABLE TO COLLECT FROM THE ASSETS OF THE DEBTORS.

Objections to requests for allowance and payment of success and transaction fees, if any, must be filed and served on the party asserting the objectionable success or transaction fee claim and each of the parties to be served with such success or transaction fee request under this Article no later than twenty (20) days after the filing of the requests for allowance and payment of success and transaction fees or such other date as may be established by the Bankruptcy Court. Consistent with the terms of the Fee Examiner Order, the Fee Examiner shall not review success or transaction fee requests.

5. U.S. Trustee Fees

All fees payable pursuant to 28 U.S.C. § 1930(a) shall be paid by the Distribution Agent on behalf of each Debtor for each quarter (including any fraction thereof) until such Debtor's Chapter 11 Case is converted, dismissed, or a Final Decree is issued, whichever occurs first.

6. Canadian Fee Claims

All Canadian Fee Claims will be paid by the Debtors in consultation with the Monitor in accordance with and pursuant to the CCAA Approval Order and until the CCAA Approval Order Date, in the ordinary course in the CCAA Proceedings as such Canadian Fee Claims become due and payable.

C. Priority Tax Claims

To the extent not previously paid during the Chapter 11 Cases or the CCAA Proceedings, and except to the extent a Holder of an Allowed Priority Tax Claim agrees to less favorable treatment, a Holder of an Allowed Priority Tax Claim shall receive either (a) on or as soon as practicable after the later of (i) the Effective Date or (ii) the first Business Day after the date that is thirty (30) days after the date a Priority Tax Claim becomes an Allowed Claim, Cash in an amount equal to such Allowed Claim, or (b) deferred Cash payments following the Effective Date, over a period not exceeding five years from the Petition Date (provided, however, that, in accordance with the CCAA, Priority Tax Claims held by the CRA, the Canadian federal government or a Canadian provincial government shall instead be paid over the course of a period not to exceed six (6) months). Any Claim or demand for fines or penalties related to a Priority Tax Claim assessed after the Petition Date shall be disallowed and the Holder of an Allowed Priority Tax Claim shall not assess or attempt to collect any such fine or penalty.

D. CCAA Charge Claims

To the extent not previously paid during the Chapter 11 Cases or the CCAA Proceedings, a Holder of an Allowed CCAA Charge Claim shall be paid in Cash in an amount equal to such Allowed Claim in accordance with the CCAA Approval Order or as otherwise agreed between the applicable Debtor, with the consent of the Monitor and the Holder.

IV. CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. Classification

This Plan constitutes a separate Plan for each Debtor. This Plan classifies Claims and Equity Interests for all purposes, including voting, confirmation and distribution, pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or Equity Interest shall be deemed classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that such Claim or Equity Interest has not been previously Paid in Full.

Other than those Claims and Interests listed in Article III of this Plan, which are not required to be classified pursuant to section 1123(a)(1) of the Bankruptcy Code, all Claims against and Equity Interests in the Debtors are classified as follows:

1. Parent Debtor Plan: Claims Against and Equity Interests in Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd.)

Class	Claim or Equity Interest	Status	Voting Rights
P1	Secured Claims	Unimpaired; Deemed to Accept	Not Entitled to Vote
P2	Priority Non-Tax Claims	Unimpaired; Deemed to Accept	Not Entitled to Vote
P3	SEC Claim	To Be Determined[2]	To Be Determined
P4	General Unsecured Claims	Impaired	Entitled to Vote
P5	Intercompany Claims	Unimpaired; Deemed to Accept	Not Entitled to Vote
P6	Individual Securities Damages Claim	Unimpaired	Not Entitled to Vote
P7	Parent Equity Interests	Impaired	Entitled to Vote

2. Subsidiary Debtor Plans: Claims Against and Equity Interests in Subsidiary Debtors

Class	Claim or Equity Interest	Status	Voting Rights
1	Secured Claims	Unimpaired; Deemed to Accept	Not Entitled to Vote
2	Priority Non-Tax Claims	Unimpaired; Deemed to Accept	Not Entitled to Vote
3	General Unsecured Claims	Impaired	Entitled to Vote
4	Intercompany Claims	Unimpaired; Deemed to Accept	Not Entitled to Vote
5	Intercompany Equity Interests	Unimpaired; Deemed to Accept	Not Entitled to Vote

B. Treatment of Claims and Interests in the Parent Debtor

This Plan provides the following treatment and voting rights for each Class of Claims against and Equity Interests in the Parent Debtor:

[2] At this time, there is no resolution of the SEC Claim, and the treatment of the SEC Claim is to be determined. Discussions among the SEC, the Debtors and the Equity Committee are ongoing. There can be no certainty as to the results of the discussions with the SEC and this Plan and the Disclosure Statement may need to be revised or supplemented, as appropriate, to reflect the status of discussions with the SEC or any resolution or settlement, or lack thereof, of the SEC Claim.

1. Class P1 –Secured Claims

a. *Classification.* Class P1 consists of all Secured Claims.

b. *Treatment*: On or as soon as practicable after the Effective Date, each Holder of a Class P1 Allowed Secured Claim, if any, shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Secured Claim: (a) the return of the Collateral securing such Allowed Secured Claim; (b) Cash equal to 100% of the amount of such Allowed Secured Claim and Post-Petition Interest required to be paid under section 506(b) of the Bankruptcy Code; (c) such other treatment as will render the Holder of such Allowed Secured Claim Unimpaired; or (d) such other treatment as to which the Holder of such Allowed Secured Claim has agreed to in writing.

c. *Voting*: Class P1 is Unimpaired. The Holders of Class P1 Allowed Secured Claims are conclusively deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject this Plan.

2. Class P2 – Priority Non-Tax Claims

a. *Classification.* Class P2 consists of all Priority Non-Tax Claims.

b. *Treatment*: Unless the Holder agrees to a different treatment, on or as soon as practicable after the later of the Effective Date or the date a Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, each Holder of an Allowed Priority Non-Tax Claim shall receive Payment in Full in Cash with Post-Petition Interest, or such other treatment as will render the Allowed Priority Non-Tax Claim Unimpaired.

c. *Voting*: Class P2 is Unimpaired. The Holders of Class P2 Priority Non-Tax Claims are conclusively deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject this Plan.

3. Class P3 – SEC Claim

a. *Classification.* Class P3 consists of the SEC Claim.

b. *Treatment*: To be determined.

c. *Voting*: To be determined.

4. Class P4 – General Unsecured Claims

a. *Classification.* Class P4 consists of all General Unsecured Claims.

b. *Treatment*: To the extent not already Paid in Full or otherwise satisfied prior to the Effective Date, on or as soon as practicable after the later of (i) the Effective Date or (ii) the date a General Unsecured Claim becomes an Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive Payment in Full in Cash of the Allowed amount of its Claim. For the avoidance of doubt, in accordance with the Global Settlement, Holders of Allowed General Unsecured Claims shall not receive Post-Petition Interest on account of such Allowed General Unsecured Claims.

c. *Voting*: Class P4 is Impaired because the Global Settlement governs the treatment of General Unsecured Claims under this Plan. The Holders of Class P4 General Unsecured Claims are entitled to vote to accept or reject this Plan.

5. Class P5 – Intercompany Claims

a. *Classification.* Class P5 consists of all Intercompany Claims.

b. *Treatment*: On or after the Effective Date, each Intercompany Claim shall be Reinstated, subject to the rights of Holders of General Unsecured Claims in Class P4 under this Plan (including the Global Settlement) and the CCAA Approval Order, and any Cash or Assets of the U.S. Debtors that are required to be distributed pursuant to this Plan (including the Retained Causes of Action and Liquidation Trust Expense Reserve) shall be transferred by the U.S. Debtors to the Reorganized Parent Debtor in satisfaction of the same amount of such applicable Intercompany Claims, and Intercompany Claims shall receive such additional or different treatment as will be set forth in the Plan Supplement.

c. *Voting*: Class P5 is Unimpaired. Each Holder of a Class P5 Intercompany Claim is conclusively deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, and is not entitled to vote to accept or reject this Plan.

6. Class P6 – Individual Securities Damages Claim

a. *Classification.* Class P6 consists of the Individual Securities Damages Claim.

b. *Treatment*: To the extent that the Individual Securities Damages Claim is Allowed by a Final Order, as soon as reasonably practicable thereafter, the Distribution Agent shall pay such Allowed Claim in Cash and solely from and up to the amount of the Individual Securities Damages Claim Reserve, subject to the rights of Holders of General Unsecured Claims to the prior Payment in Full of such Holders' Allowed Claims under the Plan (including the Global Settlement). For the avoidance of doubt, the Individual Securities Damages Claim shall not receive any distribution on account of any Allowed Individual Securities Damages Claim in excess of the Individual Securities Damages Claim Reserve, and such Claim shall not be treated as a Parent Equity Interest notwithstanding section 510(b) of the Bankruptcy Code and the CCAA.

c. *Voting*: Class P6 is Unimpaired. The Holder of the Class P6 Individual Securities Damages Claim is conclusively deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, and is not entitled to vote to accept or reject this Plan.

7. <u>Class P7 – Parent Equity Interests</u>

a. *Classification.* Class P7 consists of all Parent Equity Interests.

b. *Treatment.* Holders of Parent Equity Interests will receive their Pro Rata share of the Shareholder Distributable Assets under, and subject to, this Plan (including the Global Settlement) and the CCAA Approval Order. This Plan allows Holders of Parent Equity Interests to elect to receive certain of such Plan consideration in the form of either Beneficial Trust Interests (and a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with this Plan) in exchange for their Parent Equity Interests, or to retain their Parent Equity Interests. Holders of Beneficial Trust Interests and Holders of Parent Equity Interests will receive distributions of equal amounts of Cash under this Plan per Parent Equity Interests on a Pro-Rata basis (other than differences attributable to the differing tax treatment of the Liquidation Trust and the Reorganized Parent Debtor that may consequently result in more or less favorable recoveries to Holders of Parent Equity Interests after consideration of the potentially differing rates and basis of taxation of the individual Holders). Article V.B.3 of this Plan further describes the distributions that will be made to Holders of Parent Equity Interests and Beneficial Trust Interests.

This Plan provides the following two options for receiving Plan consideration to Holders of Allowed Parent Equity Interests:

Option 1: Beneficial Holders of Allowed Parent Equity Interests may elect to have their Parent Equity Interests mandatorily purchased and cancelled in exchange for their Beneficial Trust Interests (and a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with this Plan) ("Option 1").

To elect Option 1, beneficial Holders of Allowed Parent Equity Interests must submit a Liquidation Trust Certification Form on or before the Liquidation Trust Certification Bar Date using the instructions set forth therein. The Debtors shall cause the Liquidation Trust Certification Form to be mailed to Holders of Allowed Parent Equity Interests through the Holders of record at the same time as votes on this Plan are solicited from Holders of Parent Equity Interests, as set forth in the Disclosure Statement Order. Subject to the terms of this Plan and at the time prescribed by the Plan, the Holders of Allowed Parent Equity Interests who elect Option 1 shall have their Parent Equity Interests mandatorily purchased and cancelled in exchange for (i) a deemed distribution of the Liquidation Trust Assets attributable to them, (ii) a deemed distribution of their Pro Rata share of the Liquidation Trust Expense Reserve (followed immediately by a deemed contribution of such Pro Rata share to the Liquidation Trust) in accordance with this Plan, and (iii) a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with this Plan. The Holders of Parent Equity Interests electing to receive Beneficial Trust Interests as set forth in this Plan shall be deemed to immediately contribute their share of Liquidation Trust Assets to the Liquidation Trust.

Beneficial Holders of Allowed Parent Equity Interests may elect Option 1 or Option 2 only for all of their Allowed Parent Equity Interests. All beneficial Holders of Allowed Parent Equity Interests who fail to timely submit the Liquidation Trust Certification Form, who fail to properly make an election on the Liquidation Trust Certification Form, who make an election with respect to less than all of their Parent Equity Interests or who fail to take any action under this Plan shall be deemed to have elected Option 2 under this Plan.

Option 2: All Holders of Allowed Parent Equity Interests who do not elect Option 1 by the Liquidation Trust Certification Bar Date or who are deemed to have elected Option 2 shall retain their Allowed Parent Equity Interests through the Final Distribution Date ("Option 2"). On or after the Final Distribution Date, the

Reorganized Parent Debtor shall be dissolved and all remaining Allowed Parent Equity Interests shall be cancelled. If any Holder of Allowed Parent Equity Interests elects Option 1 and the Liquidation Trust is subject to adverse tax consequences in Canada as a result of such Holder holding Beneficial Trust Interests, any transfer to such Holder and the cancellation of such Holder's Parent Equity Interests shall be void ab initio and Reorganized Parent, the Holder and the Liquidation Trust shall treat such Holder at all times as if such Holder had elected Option 2 (the "Disallowed Election").

c. *Voting*. Class P7 is Impaired under this Plan. The Holders of Class P7 Allowed Parent Equity Interests are entitled to vote to accept or reject this Plan.

C. Treatment of Claims and Interests in the Subsidiary Debtors

The Plan provides the following treatment and voting rights for each Class of Claims against and Equity Interests in each of the Subsidiary Debtors:

1. Class 1 –Secured Claims

a. *Classification.* Class 1 consists of all Secured Claims.

b. *Treatment*: On or as soon as practicable after the Effective Date, each Holder of a Class 1 Allowed Secured Claim, if any, shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Secured Claim: (a) the return of the Collateral securing such Allowed Secured Claim; (b) Cash equal to 100% of the amount of such Allowed Secured Claim and Post-Petition Interest required to be paid under section 506(b) of the Bankruptcy Code; (c) such other treatment as will render the Holder of such Allowed Secured Claim Unimpaired; or (d) such other treatment as to which the Holder of such Allowed Secured Claim has agreed to in writing.

c. *Voting*: Class 1 is Unimpaired. The Holders of Class 1 Allowed Secured Claims are conclusively deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject this Plan.

2. Class 2 – Priority Non-Tax Claims

a. *Classification.* Class 2 consists of all Priority Non-Tax Claims.

b. *Treatment*: Unless the Holder agrees to a different treatment, on or as soon as practicable after the later of the Effective Date or the date a Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, each Holder of an Allowed Priority Non-Tax Claim shall receive Payment in Full in Cash with Post-Petition Interest, or such other treatment as will render the Allowed Priority Non-Tax Claim Unimpaired.

c. *Voting*: Class 2 is Unimpaired. The Holders of Class P2 Priority Non-Tax Claims are conclusively deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject this Plan.

3. Class 3 – General Unsecured Claims

a. *Classification.* Class 3 consists of all General Unsecured Claims.

b. *Treatment*: To the extent not already Paid in Full or otherwise satisfied prior to the Effective Date, on or as soon as practicable after the later of (i) the Effective Date or (ii) the date a General Unsecured Claim becomes an Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive Payment in Full in Cash of the Allowed amount of its Claim. For the avoidance of doubt, Holders of Allowed General Unsecured Claims shall not receive Post-Petition Interest on account of such Allowed General Unsecured Claims.

c. *Voting*: Class 3 is Impaired because the Global Settlement governs the treatment of General Unsecured Claims under this Plan. The Holders of Class 3 General Unsecured Claims are entitled to vote to accept or reject this Plan.

4. Class 4 – Intercompany Claims

a. *Classification*. Class 4 consists of all Intercompany Claims.

b. *Treatment*: On or after the Effective Date, each Intercompany Claim shall be Reinstated, subject to the rights of Holders of General Unsecured Claims in Class 3 under this Plan (including the Global Settlement) and the CCAA Approval Order, and any Cash or Assets of the U.S. Debtors that are required to be distributed pursuant to this Plan (including the Retained Causes of Action and Liquidation Trust Expense Reserve) shall be transferred by the U.S. Debtors to the Reorganized Parent Debtor in satisfaction of the same amount of such applicable Intercompany Claims, and any other Intercompany Claims shall receive such additional or different treatment as will be set forth in the Plan Supplement.

c. *Voting*: Class 4 is Unimpaired. Each Holder of a Class 4 Intercompany Claim is conclusively deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, and is not entitled to vote to accept or reject this Plan

5. <u>Class 5 – Intercompany Equity Interests</u>

a. *Classification.* Class 5 consists of all Intercompany Equity Interests.

b. *Treatment.* On the Effective Date, the Holders of Class 5 Intercompany Equity Interests in each Subsidiary Debtor shall receive such treatment as set forth in the Plan Supplement, subject to the rights of Holders of General Unsecured Claims in Class 3 under this Plan (including the Global Settlement) and the CCAA Approval Order.

c. *Voting*: Class 5 is Unimpaired under this Plan. Each Holder of an Intercompany Equity Interest is conclusively deemed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, each Holder of an Intercompany Equity Interest is not entitled to vote to accept or reject this Plan.

D. Elimination of Vacant Classes

Any Class of Claims that does not have a Holder of an Allowed Claim or a Claim temporarily Allowed by the Court for voting purposes as of the date of the Confirmation Hearing shall be deemed eliminated from this Plan for purposes of voting to accept or reject this Plan and for purposes of determining acceptance or rejection of this Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

E. Special Provision Governing Unimpaired Claims

Nothing under this Plan shall affect the Debtors', Monitor's or Liquidation Trust's rights in respect of any Unimpaired Claims, including all rights in respect of legal and equitable defenses to or setoffs or recoupment against any such Unimpaired Claims.

F. Acceptance by an Impaired Class

In accordance with section 1126(c) of the Bankruptcy Code and except as provided in section 1126(e) of the Bankruptcy Code, Impaired Classes of Claims entitled to vote shall have accepted this Plan as to a Debtor if it is accepted by the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims that have timely and properly voted to accept or reject this Plan.

In accordance with section 1126(d) of the Bankruptcy Code and except as provided in section 1126(e) of the Bankruptcy Code, Impaired Classes of Equity Interests entitled to vote under this Plan shall have accepted this Plan as to a Debtor if Holders of at least two-thirds (2/3) in number of the shares of Allowed Equity Interests that have timely and properly voted to accept or reject this Plan vote such shares to accept this Plan.

G. Nonconsensual Confirmation

The Debtors may request confirmation under section 1129(b) of the Bankruptcy Code with respect to (a) any Impaired Class of Claims and Equity Interests that have not accepted this Plan in accordance with sections 1126 and 1129(a)(8) of the Bankruptcy Code and (b) any Class that is deemed to reject this Plan pursuant to section 1126(g) of the Bankruptcy Code or the terms of this Plan or otherwise. The Debtors reserve the right to amend or modify this Plan in accordance with Article XI.A of this Plan to the extent, if any, that Confirmation of this Plan pursuant to section 1129(b) of the Bankruptcy Code requires such amendment or modification.

H. Voting Classes; Presumed Acceptance by Non-Voting Classes

If a Class contains Claims eligible to vote and no Holders of Claims eligible to vote in such Class vote to accept or reject this Plan, this Plan shall be presumed accepted by the Holders of such Claims in such Class.

I. Intercompany Equity Interests

To the extent they are deemed Reinstated under this Plan, distributions on account of Intercompany Equity Interests are being Reinstated solely for the purpose of maintaining the existing corporate structure of the Debtors pending dissolution. For the avoidance of doubt, any interest in non-Debtor subsidiaries owned by a Debtor shall continue to be owned by the applicable Debtor pending dissolution.

V. IMPLEMENTATION OF THIS PLAN

The transactions required to implement this Plan shall be implemented in accordance with this Article V.

A. Plan Transactions

From and after the Effective Date, the Monitor, the Liquidation Trustee or the Reorganized Debtors, as applicable, may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate this Plan (the "Plan Transactions"), including, without limitation: (1) the execution and delivery of any agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of this Plan, or any other terms on which the applicable Entities may agree; (2) the execution and delivery of instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of this Plan or having other terms for which the applicable parties agree; (3) the filing of certificates or articles of incorporation, amendment, reincorporation, merger, amalgamation, consolidation, conversion or dissolution and bylaws reflecting the corporate governance changes and dissolutions contemplated by this Plan or as are otherwise appropriate to effectuate the intent of this Plan; (4) the execution and delivery of the applicable documents included in the Plan Supplement; and (5) all other actions that the applicable Persons determine to be necessary or appropriate. For the purposes of effectuating this Plan, none of the Plan Transactions contemplated herein shall constitute a change of control under any agreement, contract or document of the Debtors.

B. Sources of Consideration for Plan Distributions

Distributions under the Plan will be funded and made as set forth below.

1. Funding of the Reserves.

On the Effective Date, the Distribution Agent, on behalf of the Debtors shall fund the Reserves in Cash from the Sale Proceeds or any other Cash then in the Estates in accordance with and in the amounts set forth in Article VI.E of this Plan to be held in the Reorganized Parent Debtor, except with respect to the Individual Securities Damages Reserve, which shall be held by the Monitor, until (1) the issuance of a Clearance Certificate (except in the case of the Holdback Amount Reserve, which does not require a Clearance Certificate to be paid to Professionals); (2) the decision of the Board of Directors of the Reorganized Parent Debtor to disburse such Reserves that are held by the Reorganized Parent Debtor rather than the Monitor; or (3) other arrangements in form satisfactory to the Monitor for Reserves held by the Monitor; provided, however, that at least $100,000 of the Liquidation Trust Expense Reserve shall be funded into the Liquidation Trust within 60 days of 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. The Distribution Agent shall have the authority to make distributions from the Canadian Sale Proceeds Account and the U.S. Sale Proceeds Account or other Estate accounts, to transfer funds to or from the Canadian Sale Proceeds Account and the U.S. Sale Proceeds Account, and to close either or both of the Canadian Sale Proceeds Account and U.S. Sale Proceeds Account in accordance with this Plan and the CCAA Approval Order and to facilitate making distributions hereunder; provided however, that the Distribution Agent shall keep records of all disbursements from and deposits made into the Canadian Sale Proceeds Account and U.S. Sale Proceeds Account or such other Estate accounts and shall provide the Reorganized Parent Debtor, the Monitor and the Liquidation Trust with monthly reconciliations of such transactions; and provided further, however, that the Distribution Agent shall not close the Canadian Sale Proceeds Account or U.S. Sale Proceeds Account without thirty (30) calendar days' prior notice to the Reorganized Parent Debtor, the Monitor and the Liquidation Trustee.

2. Distributions to Holders of Allowed Claims.

The Distribution Agent shall Pay in Full in Cash all Allowed Claims under this Plan from the Sale Proceeds, other than the Individual Securities Damages Claim to the extent such Claim is Allowed after receipt of the Comfort Letters. The Distribution Agent shall pay the Allowed Amount, if any, of the Individual Securities Damages Claim in Cash solely from the Individual Securities Damages Claim Reserve.

3. Distributions to Holders of Allowed Parent Equity Interests.

a. *Shareholder Distributable Assets*

Holders of Allowed Parent Equity Interests will receive net proceeds from, or interests in, the following Assets under this Plan: (a) the interests in the Retained Causes of Action described in subparagraph 3(b) hereof; (b) the Liquidation Trust Expense Reserve (if not fully utilized for Wind-Down Expenses); (c) any Sale Proceeds remaining after the Reserves are funded, Holders of Allowed Claims are Paid in Full in Cash, and the Wind-Down Expenses are Paid in Full in Cash to the extent such expenses are paid from the Sale Proceeds; and (d) any other Assets, including investment income earned on any Cash Assets (items (a) through (d) collectively, the "Shareholder Distributable Assets").

b. *Reorganized Parent Debtor and Liquidation Trust Assets*

As soon as practicable after the Effective Date, the Shareholder Distributable Assets other than any Cash (but including the interests in the Retained Causes of Action discussed herein) held by the Estates on the Effective Date shall vest in either the Reorganized Debtors or the Liquidation Trust. As soon as practicable after the Effective Date, proportionate interests in the Retained Causes of Action shall be vested in the Reorganized Debtors for the benefit of the Holders of Allowed Parent Equity Interests who have elected or are deemed to have elected Option 2 and in the Liquidation Trust for the benefit of those Holders of Allowed Parent Equity Interests who have elected Option 1 in proportion to the percentages of Allowed Parent Equity Interests held respectively by the Holders of such Parent Equity Interests who have elected Option 1 and Option 2, respectively, as of the Liquidation Trust Certification Bar Date (the "Asset Apportionment"). By way of illustration, if 40% of the Holders of Parent Equity Interests elect to receive Beneficial Trust Interests pursuant to Option 1 as of the Liquidation Trust Certification Bar Date, then 60% of the Shareholder Distributable Assets will vest in the Reorganized Debtors and 40% of the Shareholder Distributable Assets (other than Cash) will vest in the Liquidation Trust, subject to paragraph 3(iii) below. Notwithstanding anything to the contrary in this Plan, the Reorganized Debtors and the Liquidation Trust will cooperate with each other as necessary so that the Shareholder Distributable Assets will be owned by them in a manner that they determine in good faith will maximize the value of such assets under applicable law for all Holders of Allowed Parent Equity Interests, as mutually determined by the Debtors and Equity Committee or, after the Effective Date, the Liquidation Trustee and the Reorganized Debtors. The Debtors and the Liquidation Trust, or the Debtors and the Equity Committee prior to the Effective Date, reserve the right to take any action, and implement any structure as necessary to own the Shareholder Distributable Assets in such manner and as to effect the intent of this Plan.

From and after the Effective Date, the Cash (including the Sale Proceeds but excluding any Cash realized in respect of the Retained Causes of Action) shall vest in the Reorganized Debtors and shall be used by the Distribution Agent on behalf of the Debtors to (i) fund the Reserves; (ii) adequately reserve for or pay in Cash the Wind-Down Expenses; and (iii) Pay in Full the Allowed Claims (including all Allowed Fee Claims and Allowed Canadian Fee Claims to the extent such Claims exceed the Holdback Amount reserved for such Claims) in accordance with this Plan and the CCAA Approval Order (collectively, the "Initial Cash

Distributions”). After all such payments have been made or reserved for in full, as mutually determined by the Liquidation Trustee, the Monitor and the Reorganized Parent Debtor, and following receipt of a Clearance Certificate, the remaining Sale Proceeds shall constitute Shareholder Distributable Assets and the Distribution Agent, at the direction of the Liquidation Trustee and the Reorganized Parent Debtor, shall transfer (or allocate) in accordance with the Asset Apportionment such remaining Cash to an account of the Reorganized Debtors and, at the election of the Liquidation Trustee, an account of the Liquidation Trust to make interim and final distributions to Holders of Parent Equity Interests or, if elected, Beneficial Trust Interests, respectively, as provided in this Plan.

Beneficial Holders of Parent Equity Interests who elect Option 1 under this Plan shall be deemed to receive their Pro Rata share of the Liquidation Trust Assets (and a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with this Plan) in exchange for the mandatory purchase and cancellation of their Parent Equity Interests, which Liquidation Trust Assets will be deemed immediately contributed to the Liquidation Trust in exchange for Beneficial Trust Interests, and the Parent Equity Interests of Holders electing Option 1 shall be mandatorily purchased and cancelled under this Plan. The Liquidation Trustee will make distributions on account of the Beneficial Trust Interests to Holders of such Beneficial Trust Interests in accordance with this Plan and the Liquidation Trust Agreement.

Beneficial Holders of Parent Equity Interests who elect Option 2 under this Plan or who are deemed to elect Option 2 under this Plan shall retain their Parent Equity Interests under this Plan up to and through the Final Distribution Date. The Distribution Agent will make distributions to Holders of Parent Equity Interests in accordance with this Plan and the CCAA Approval Order.

c. *Pre-Dissolution Reconciliation*

Notwithstanding anything in this Plan to the contrary, on or before the Final Distribution Date, the Liquidation Trustee and the Reorganized Parent Debtor shall take any reasonably necessary actions to ensure that the beneficial Holders of Parent Equity Interests shall receive the same Pro Rata distributions of Cash from either the Reorganized Parent Debtor or Liquidation Trust pursuant to this Plan regardless of whether such Holders have elected Option 1 or Option 2 under this Plan (other than potential differences attributable to the differing tax treatment of the Liquidation Trust and Reorganized Parent Debtor under U.S. and Canadian tax laws or the individual tax circumstances of Holders of Parent Equity Interests or Beneficial Trust Interests). Such actions may include (i) a Cash transfer from the Liquidation Trust to the Reorganized Parent Debtor, (ii) a Cash transfer from the Reorganized Parent Debtor to the Liquidation Trust, or (iii) a direct payment by the Distribution Agent or the Liquidation Trustee, as applicable, to Holders of Allowed Parent Equity Interests or Beneficial Trust Interests in an amount necessary to effect such treatment; provided, however, such actions shall not consider or otherwise compensate for the time-value of money, interim fluctuations in currency value, or certain tax liabilities of the Debtors as may be set forth in the Plan Supplement.

4. Payment of Wind-Down Expenses

On or before the Effective Date, the Debtors, and after the Effective Date, the Reorganized Parent Debtor or the Liquidation Trust as the case may be, shall pay in Cash: (i) any fees, costs and expenses of the Liquidation Trust in accordance with the Liquidation Trust Agreement (including fees, costs and expenses related to the Retained Causes of Action incurred prior to the date the Liquidation Trust Expense Reserve is funded); (ii) any fees, costs and expenses of the Monitor; (iii) any fees, costs and expenses of the Distribution Agent; (iv) any fees, costs and expenses of the Estates incurred in connection with implementing this Plan and the CCAA Approval Order or winding down the Subsidiary Debtors, including payment of statutory fees and any taxes required to be paid in connection with dissolving the Debtors, including any fees, costs and expenses of the Subsidiary Debtors' Boards of Directors; and (v) any fees, costs and expenses of the Reorganized Parent Debtor, including any fees, costs and expenses of its Board of Directors (items (i) through (v) collectively, the "Wind-Down Expenses").

The Wind-Down Expenses shall be paid from the Sales Proceeds, the Holdback Amount Reserve and any other Cash in the Estates on the Effective Date to the extent paid or incurred on or before the Effective Date and from the Liquidation Trust Expense Reserve or amounts recovered in respect to the Retained Causes of Action if incurred after the Effective Date. In addition, to the extent any funds are recovered in respect of any Retained Causes of Action, such funds shall be applied first to pay any fees, costs, or expenses incurred in connection with the prosecution of such Retained Causes of Action (to the extent not previously paid out of the Liquidation Trust Expense Reserve as Wind-Down Expenses or otherwise) or otherwise incurred by the Liquidation Trust, the Reorganized Parent Debtor or the other Debtors and shall thereafter be deposited into the Liquidation Trust Expense Reserve to the extent necessary to bring the balance on deposit therein (after payment of all then outstanding fees and expenses) to its original amount (as set forth in the Plan Supplement), or such other amount as determined by the Liquidation Trustee necessary to pay reasonable fees and expenses then incurred or anticipated to be incurred for Wind-Down Expenses. For the avoidance of doubt, the initial amount of the Liquidation Trust Expense Reserve shall not be deemed to constitute a "cap" on fees and expenses incurred by the Liquidation Trust with respect to the Retained Causes of Action, the Chief Wind-Down Officer, or the Wind-Down Expenses with respect to required activity.

To the extent any funds recovered in respect of any Retained Causes of Action remain after payment of fees, costs, or expenses and deposit in the Liquidation Trust Expense Reserve as described in the immediately preceding paragraph (the "Cause of Action Net Proceeds"), then such Cause of Action Net Proceeds shall constitute Shareholder Distributable Assets and shall be apportioned between the Liquidation Trust and the Reorganized Parent Debtor for distribution to Holders of Allowed Parent Equity Interests or Beneficial Trust Interests, respectively, in accordance with the Asset Apportionment.

On or before the Effective Date but after the Confirmation Hearing and Canadian Approval Hearing, the Reorganized Parent Debtor and Liquidation Trust will enter into a cost sharing agreement (the "Cost Sharing Agreement") in form and substance acceptable to the Debtors, Monitor and the Committees, pursuant to which the Reorganized Parent Debtor and the

Liquidation Trust will each agree to pay for its share of the Wind-Down Expenses from the Shareholder Distributable Assets, (including the Sale Proceeds) or the Liquidation Trust Expense Reserve, as applicable. The Cost Sharing Agreement will allocate the Wind-Down Expenses in accordance with the Asset Apportionment. A form of Cost Sharing Agreement will be included in the Plan Supplement.

C. Corporate Existence; Vesting of Assets

After the Effective Date, the Reorganized Parent Debtor shall continue to exist under applicable corporate law for the sole purposes of (i) prosecuting the Retained Causes of Action, (ii) making distributions from time to time to Holders of Allowed Parent Equity Interests who do not elect Option 1, and (iii) making any other distributions of Shareholder Distributable Assets until the Final Distribution Date, after which time the Reorganized Parent Debtor shall be dissolved.

After the Effective Date, the Chief Wind-Down Officer shall dissolve the Subsidiary Debtors, unless the Subsidiary Debtors must continue to exist under applicable corporate law for the sole purposes of liquidating the Retained Causes of Action or making distributions in accordance with this Plan or for tax purposes. Prior to such dissolution, all Assets of the Subsidiary Debtors after Payment in Full of General Unsecured Claims, Intercompany Claims as applicable, and the Wind-Down Costs of such Subsidiary Debtors shall vest in the Reorganized Parent Debtor.

Each Debtor or the Chief Wind-Down Officer is authorized and empowered to merge or amalgamate with any of the other Debtors and is authorized and empowered to effect each such merger or amalgamation and to take and cause to be taken such actions in order to carry out such mergers or amalgamations, in each case, on such terms and conditions as it may deem necessary or desirable. Subject to applicable laws with respect to the Canadian Debtors, the foregoing dissolution and merger actions are authorized without the requirement to file any annual reports or pay related fees thereon, and without any requirement of further action by the stockholders, shareholders, directors or any other officer of the Debtors.

D. Corporate Governance

The existing officers and directors of each Debtor shall be deemed to have resigned on the Effective Date.

The Equity Committee will select the Board of Directors for the Reorganized Parent Debtor which shall consist of three (3) duly qualified directors. The Board of Directors selected by the Equity Committee will be identified in the Plan Supplement. The Reorganized Parent Debtor's Board of Directors shall appoint the Board of Directors for each Subsidiary Debtor pending its dissolution, which Board of Directors may, but is not required to, consist of the same Director(s) that serve on the Reorganized Parent Debtor's Board of Directors, subject to compliance with applicable laws. The Board of Directors will be appointed to serve through the liquidation and dissolution of the Reorganized Debtors, and the CCAA Approval Order will provide that the Reorganized Parent Debtor shall not otherwise be required to comply with applicable law regarding the formation or composition of the Board of Directors.

The initial Chief Wind-Down Officer shall be selected by the Equity Committee with the consent of the Debtors, Monitor and Creditors' Committee (not to be unreasonably withheld) and will be identified in the Plan Supplement and shall be appointed by the Reorganized Parent Debtor's Board of Directors. The Chief Wind-Down Officer may but is not required to be the same person for each of the Debtors. Following the Effective Date, the Reorganized Parent Debtor's Board of Directors shall have the right to replace or terminate the Chief Wind-Down Officer without need for further approval by the Bankruptcy Court or Canadian Court and thereafter, each successor Chief Wind-Down Officer shall fulfill the role of Chief Wind-Down Officer under this Plan.

The Debtors intend to seek relief from the Canadian Court in the CCAA Approval Order providing for, among other things, that the Reorganized Parent Debtor shall not be required to comply with the reporting or disclosure requirements or obligations under Canadian Securities Laws, nor shall the Reorganized Parent Debtor be required to comply with applicable corporate laws under the British Columbia *Business Corporations Act*. As a result of, among other things, the delayed filing of its Annual Report, including its annual audited financial statements for the fiscal year ended May 31, 2016 and the related management's discussion and analysis, the Parent Debtor is in default of the filing requirements under applicable Canadian Securities Laws. It is not expected that the Reorganized Parent Debtor or the Liquidation Trust will be in a position to comply with applicable Canadian Securities Laws following the Effective Date regardless of whether the requested relief is granted by the Canadian Court in the CCAA Approval Order. Notwithstanding the foregoing, it may be necessary for the Parent Debtor and/or the Liquidation Trust to seek exemptive relief from the Canadian Securities Regulators in order to give effect to the Plan and the transactions contemplated thereby.

E. Liquidation Trust

1. Creation and Funding of the Liquidation Trust; Vesting of Assets

On or before the Effective Date but after the Confirmation Hearing and Canadian Approval Hearing, the Bankruptcy Court and the Canadian Courts shall have approved the formation of the Liquidation Trust pursuant to the Liquidation Trust Agreement and the provisions of this Plan. The Liquidation Trust shall be formed under U.S. law and shall be managed from the U.S. The Liquidation Trustee shall administer the Liquidation Trust, and shall have the powers and duties set forth in the Liquidation Trust Agreement. The Liquidation Trustee shall be designated in the Plan Supplement by the Equity Committee, with the consent of the Creditors' Committee, Monitor and the Debtors, which consent shall not be unreasonably withheld.

Through this Plan, the Shareholder Distributable Assets allocated to the Liquidation Trust (including a proportionate interest in the Retained Causes of Action) for the benefit of Holders of Allowed Parent Equity Interests who elect Option 1 shall vest in the Liquidation Trust as assets of the Liquidation Trust (which, for greater certainty, does not include any Cash (including the Sale Proceeds held by the Debtors as of the Effective Date)) (such assets, the "Liquidation Trust Assets") as a deemed distribution to the Holders of Allowed Parent Equity Interests who elect Option 1 followed immediately by a deemed contribution to the

Liquidation Trust from such Holders of their share of Liquidation Trust Assets. It is anticipated that the Liquidation Trust Assets shall consist of (i) the proportionate interest in the Retained Causes of Action allocable to the Holders of Allowed Parent Equity Interests that elected Option 1, and (ii) a comparable portion of the Liquidation Trust Expense Reserve; it is anticipated that no other Cash shall be transferred (or deemed transferred) to the Liquidation Trust for the Holders of Allowed Parent Equity Interests that elected Option 1.

This Plan shall be considered a motion pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, and the Confirmation Order shall be considered an order granting such relief. The transfer of the Liquidation Trust Assets to the Liquidation Trust shall be made for the benefit of and on behalf of the Liquidation Trust Beneficiaries. For all U.S. federal income tax purposes, the transfer of the Liquidation Trust Assets to the Liquidation Trust shall be treated as (1) a transfer of the Liquidation Trust Assets directly to the Liquidation Trust Beneficiaries, followed by (2) the transfer of such Liquidation Trust Assets by the Liquidation Trust Beneficiaries to the Liquidation Trust in exchange for the Liquidation Trust Beneficial Interests. The Liquidation Trust Beneficiaries shall be treated as the grantors and owners of the Liquidation Trust (other than the Liquidation Trust Assets as are allocable to the Reserves).

As soon as reasonably practicable after the Effective Date, (i) the Liquidation Trustee shall make a good faith valuation of the Liquidation Trust Assets, and (ii) the Liquidation Trustee shall establish appropriate means to apprise the Liquidation Trust Beneficiaries of such valuation. The valuation shall be used consistently by all parties (including, without limitation, the Debtors, the Liquidation Trustee and the Liquidation Trust Beneficiaries) for all U.S. federal and other income tax purposes. The Liquidation Trustee also shall file (or cause to be filed) any other statements, returns, or disclosures relating to the Liquidation Trust that are required by any Governmental Unit.

2. Rights and Powers of the Liquidation Trustee

The Liquidation Trustee shall have all the rights and powers set forth in this Plan (including those conferred upon him as the Litigation Representative pursuant to Article V.E.12 of this Plan) and the Liquidation Trust Agreement to act on behalf of the Liquidation Trust, including the right to (a) effect all actions and execute all agreements, instruments and other documents, and exercise all rights and Privileges previously held by the Debtors, necessary or convenient to implement the provisions of this Plan and the Liquidation Trust Agreement, (b) subject to the Liquidation Trust Agreement and this Plan, prosecute, settle, abandon or compromise the Retained Causes of Action on behalf of the Liquidation Trust and the Debtors, (c) authorize distributions as contemplated by and in accordance with this Plan, and (d) make disbursements from the Liquidation Trust Expense Reserve (or, prior to the funding of the Liquidation Trust Expense Reserve, from Cash held by the Reorganized Parent Debtor) on behalf of the Liquidation Trust and the Reorganized Parent Debtor.

Pursuant to Article V.E.12 hereof, the Liquidation Trustee, in its capacity as Litigation Representative, for the benefit of and on behalf of the Liquidation Trust and the Debtors, without further order of the Bankruptcy Court or the Canadian Court but subject to the Liquidation Trust Agreement and this Plan, shall have full power and authority to (i) investigate, prosecute, abandon, settle, liquidate, or otherwise resolve the Retained Causes of Action, (ii) retain counsel and other professionals in connection with investigating, prosecuting, abandoning, settling, liquidating, or otherwise resolving the Retained Causes of Action, under such arrangements regarding compensation and other terms as the Liquidation Trustee may deem reasonable and appropriate, and (iii) to the extent consistent with the provisions of U.S. tax laws applicable to liquidating trusts, enter into third-party arrangements for the funding of the foregoing activities of the Litigation Representative in respect of the Retained Causes of Action, which arrangements may include granting interests in the Retained Causes of Action or the proceeds thereof; provided, however, that any such third-party arrangements shall be non-recourse except as to any proceeds received in respect of the Retained Causes of Action subject to such third-party arrangements. Funds in the Liquidation Trust Expense Reserve (whether held by the Reorganized Parent Debtor or the Liquidation Trust) may be used to pay the fees, costs, and expenses (including attorney's fees and other professional fees) that the Liquidation Trust may incur in connection with the implementation of this Plan, including the fees and expenses related to investigating, prosecuting, abandoning, settling, liquidating, or otherwise resolving the Retained Causes of Action.

3. Retention of Professionals

In its capacity as Litigation Representative on behalf of the Debtors and the Liquidation Trust pursuant to Article V.E.12 of this Plan, the Liquidation Trustee may retain counsel and other professionals on behalf of the Liquidation Trust to assist the Liquidation Trust in exercising its rights and powers under the Liquidation Trust Agreement and implementing this Plan. Funds in the Liquidation Trust Expense Reserve (whether held by the Reorganized Parent Debtor or the Liquidation Trust) and, to the extent necessary, the Cause of Action Net Proceeds may be used by the Liquidation Trustee to pay the fees, costs, and expenses that the Liquidation Trust may incur in connection with the implementation of this Plan.

4. Post-Effective Date Fees and Expenses of Liquidation Trust and the Debtors

The Wind-Down Expenses of the Liquidation Trust and the Debtors, including for the Chief Wind-Down Officer and the Monitor, incurred on or after the Effective Date shall be paid by the Liquidation Trustee or the Reorganized Parent Debtor out of the Liquidation Trust Expense Reserve without further order of the Bankruptcy Court or Canadian Court. Following the Effective Date, any requirement that a U.S. Professional comply with sections 327 through 331 of the Bankruptcy Code when seeking compensation for services rendered to any of the Debtors, their Estates or the Liquidation Trust shall terminate.

5. Liquidation Trust Advisory Board

The Liquidation Trust Advisory Board shall consist of three (3) Persons. Each member of the Liquidation Trust Advisory Board shall be designated by the Equity Committee with the consent of the Monitor and the Debtors, which consent is not to be unreasonably withheld, and after consultation with the Creditors' Committee. The initial members of the Liquidation Trust Advisory Board shall be identified in the Plan Supplement.

6. Liquidation Trust Transfer Taxes

Any transfer of the Liquidation Trust Assets to the Liquidation Trust shall be exempt from any stamp tax or similar tax, in accordance with section 1146(a) of the Bankruptcy Code.

7. Federal Income Tax Treatment of the Liquidation Trust

The Liquidation Trust shall be established for the sole purpose of distributing the Liquidation Trust Assets, and proceeds therefrom, in accordance with Treasury Regulation section 301.7701-4(d) and Revenue Procedure 94-45, with no objective to continue or engage in the conduct of a trade or business, and are intended to qualify as a liquidating trust for U.S. federal income tax purposes. In general, a liquidating trust such as the Liquidation Trust is not a separate taxable entity for U.S. federal income tax purposes, but is instead treated as a grantor trust, i.e., pass-through entity. All parties must treat the transfer of the portion of the Liquidation Trust Assets attributable to the Liquidation Trust Beneficiaries as a transfer of such assets directly to the Liquidation Trust Beneficiaries. Consistent therewith, all parties must treat the Liquidation Trust as a grantor trust of which the Liquidation Trust Beneficiaries are the owners and grantors. Subject to the terms of the Liquidation Trust Agreement, the value of a Liquidation Trust Beneficiary's Allowed Parent Equity Interest (less any Cash distribution received from the Reorganized Parent Debtor) shall be the value of such Liquidation Trust Beneficiary's Liquidation Trust Beneficial Interest, and the Liquidation Trust Beneficiaries and the Liquidation Trust must consistently use this valuation for all U.S. and other federal income tax purposes, including for determining gain, loss or tax basis.

If any Holder of Allowed Parent Equity Interests elects Option 1 and the Liquidation Trust is subject to adverse tax consequences in Canada as a result of such Holder holding Beneficial Trust Interests, any transfer to such Holder and the cancellation of such Holder's Parent Equity Interests shall be *void ab initio* and the Reorganized Parent Debtor, the Holder and the Liquidation Trust shall each treat such Holder at all times as if such Holder had elected Option 2.

8. Dissolution of the Liquidation Trust

The Liquidation Trust shall be dissolved no later than five (5) years from the Effective Date, unless the Bankruptcy Court, upon motion made prior to such fifth (5th) anniversary without the need for a favorable letter ruling from the IRS that any further extension would not adversely affect the status of either as a Liquidation Trust for federal income tax purposes, determines that a fixed period extension, not to exceed five (5) years, is necessary to facilitate or complete the recovery on and liquidation of the Liquidation Trust Assets. Upon the filing of any motion for an extension of the date of dissolution, such date shall be deemed automatically extended until an order of the Bankruptcy Court is entered with respect to such motion or the motion is withdrawn.

9. Liquidation Trust Securities Law Matters

To the extent the Liquidation Trust Beneficial Interests are deemed to be "securities," the issuance of such interests under this Plan, are exempt, pursuant to section 1145 of the Bankruptcy Code, from registration under the Securities Act of 1933, as amended, and any applicable U.S. federal, state and local laws requiring registration of securities.

10. Ability to Seek and Obtain Discovery under Bankruptcy Rule 2004

From and after the Effective Date, in connection with the Retained Causes of Action, pursuant to subparagraph (12) of this Article: (i) the Liquidation Trustee, in its capacity as the Litigation Representative for the Debtors and the Liquidation Trust, shall have the ability to seek and obtain examinations (including document discovery and depositions) under Bankruptcy Rule 2004 (and equivalent Canadian legislation) against any Person or Entity, and (ii) the Bankruptcy Court (and Canadian Court) shall retain jurisdiction to order examinations (including examinations under Bankruptcy Rule 2004) against any Person or Entity, and to hear all matters with respect to the same.

11. Preservation of Privileges and Books and Records of the Estates and Debtors

On the Effective Date, the Debtors shall be deemed to have transferred and assigned all of their respective rights, titles, and interests in any privilege or immunity of the Debtors' Estates, including the attorney-client privilege and any privileges in respect of any Retained Causes of Action (collectively, the "Privileges"), to the Liquidation Trust and the Reorganized Debtors, and all such Privileges shall automatically vest in the Liquidation Trust and the Reorganized Debtors, jointly, as of the Effective Date; provided, however, that, pursuant to subparagraph (12) of this Article, the Liquidation Trustee, in its capacity as the Litigation Representative for the Debtors and the Liquidation Trust, shall be vested with the sole power and authority to waive or assert such Privileges for the joint benefit of the Debtors and the Liquidation Trust. In addition, on the Effective Date, the Debtors shall be deemed to have transferred and assigned all of their rights and obligations with respect to their books and records and access thereto, including any rights and obligations under the Sale Orders, to the Liquidation Trust and the Debtors, and all such rights and obligations shall automatically vest in the Liquidation Trust and the Debtors as of the Effective Date. The Debtors' Professionals agree that, prior to and after the Effective Date, they shall provide reasonable assistance and cooperation to the Debtors, the Liquidation Trust, and the Reorganized Parent Debtor, as applicable, and each of their respective professionals, in connection with the investigation and prosecution of the Retained Causes of Action, including, without limitation, by (i) delivering any books and records of the Debtors or other materials (including any documents or materials of the Debtors that may be subject to any Privileges) that may be relevant to the Retained Causes of Action and that are in the respective possession, custody, or control of any such Debtor Professionals, and (ii) responding to any reasonable inquiries made by the Debtors, the Liquidation Trust, or the Reorganized Parent Debtor, as applicable, or any of their respective professionals, in respect of the investigation and prosecution of the Retained Causes of Action; provided, however, that the reasonable assistance and cooperation of the Debtors' Professionals as set forth herein shall be subject in all respects to any applicable ethical rules or obligations of such Debtor Professionals, and shall be compensable as a Wind-Down Expense of the Liquidation Trust.

12. Appointment of Liquidation Trustee by Canadian Court and Bankruptcy Court as Representative of the Debtors and Liquidation Trust in Respect of the Retained Causes of Action

On or before the Effective Date, the Canadian Court and the Bankruptcy Court shall have entered orders (which, in the case of the Bankruptcy Court shall be the Confirmation Order and, in the case of the Canadian Court, shall be the CCAA Approval Order) appointing the Liquidation Trustee as the Litigation Representative of the Debtors and the Liquidation Trust and otherwise vesting the Liquidation Trustee with sole responsibility, power and authority (subject only to the terms of this Plan and the review and approval of the Liquidation Trust Advisory Board as required by the Liquidation Trust Agreement, and the Board of Directors of the Reorganized Parent Debtor to the extent required under its amended and restated organizational documents) for investigating, prosecuting, settling and liquidating the Retained Causes of Action, jointly on behalf of the Debtors and the Liquidation Trust. Without limitation of the generality of the foregoing, in its capacity as Litigation Representative, the Liquidation Trustee shall have the exclusive power and authority (subject only to the review and approval of the Liquidation Trust Advisory Board as provided in the Liquidation Trust Agreement, and the Board of Directors of the Reorganized Parent Debtor to the extent required under its amended and restated organizational documents) to (i) assert or waive any applicable Privileges, (ii) seek discovery pursuant to Bankruptcy Rule 2004, (iii) investigate Retained Causes of Action, (iv) assert the Debtors' rights in respect to their books and records, (iv) elect whether to prosecute, settle or otherwise liquidate such Retained Causes of Action, and (v) to use funds in the Liquidation Trust Expense Reserve, whether held by the Reorganized Parent Debtor or Liquidating Trust, to pay professional fees and other Wind-Down Expenses incurred by the Liquidation Trust and/or the Reorganized Parent Debtor, in each case without further approval of the Bankruptcy Court or the Canadian Court or the Reorganized Parent Debtor, but for the joint benefit of the Holders of Equity Interests in the Reorganized Parent Debtor and Beneficial Trust Interests in the Liquidation Trust as provided hereunder.

13. Savings of Retained Causes of Action

If the vesting of interests in Retained Causes of Action with the Liquidation Trust shall compromise the ability to prosecute or recover from any Retained Causes of Action, then notwithstanding anything else contained herein, an interest in such Retained Causes of Action shall not be deemed to have vested in the Liquidation Trust, but rather shall be deemed solely vested with or otherwise retained by the Reorganized Parent Debtor or other applicable Debtor. In such situation, (i) the Liquidation Trustee shall continue to serve as the Litigation Representative on behalf of the Reorganized Parent Debtor with full power and authority respecting all aspects of such Retained Cause of Action as provided in this Plan, including prosecution in the name of the applicable Debtor, funding for same, and terms of settlement and (ii) the Liquidation Trust and applicable Debtor shall share costs and proceeds pertaining to such Retained Cause of Action so as to realize the Asset Apportionment otherwise described in the Plan. Nothing set forth herein shall be deemed applicable to, or binding with respect to, the U.S. federal income tax reporting obligations of the Liquidation Trust or Liquidation Trustee, if any, and for the avoidance of doubt the Liquidation Trust and Liquidation Trustee shall comply with, and report as required in their sole judgment in compliance with, such U.S. federal income tax laws as may be applicable to the Liquidation Trust and the holders of Beneficial Trust Interests.

F. Cancellation of Unexercised and Unvested Interests

On the Effective Date, any contingent or unexercised option, warrant, or right, contractual or otherwise, to acquire or be awarded any interest in a Debtor, including but not limited to unvested restricted stock units, or other such forms of interest, including those held by former officers, employees or directors of the Debtors as a form of compensation, except for restricted share units and deferred share units identified in the Plan Supplement (which represent restricted share units having vested in the ordinary course of business prior to the Petition Date and deferred share units granted or owing to a director of the Parent Debtor prior to the Effective Date, including, for greater certainty, those which were not granted due to the stay of proceedings in the Chapter 11 Cases and CCAA Proceedings) shall be cancelled without the exchange of any similar interest, or other form of consideration. Any Proof of Claim or Interest filed on account of such cancelled interests shall be disallowed as a Claim or Interest for which the Debtors have no liability and the Claims and Solicitation Agent may adjust the Claims Register accordingly to reflect such disallowance without further order of the Bankruptcy Court or Canadian Court.

VI. PROCEDURES FOR RESOLVING DISPUTED CLAIMS; CLAIM RESERVES

A. Prosecution of Objections to U.S. Claims

After the Effective Date, the Liquidation Trust shall have and retain any and all rights and defenses that any Debtors may have with respect to any U.S. Claims, and shall have the authority, after consultation with the Monitor, to file objections and to settle, compromise, withdraw or litigate to judgment objections to Claims against the U.S. Debtors (except those Allowed by this Plan, the Confirmation Order or other Final Order). The Liquidation Trust, after consultation with the Monitor, shall have the authority to compromise, settle, otherwise resolve, or withdraw, any objections to Disputed Claims on account of U.S. Claims without approval of the Bankruptcy Court. Any final determination of the U.S. Claims made in the Chapter 11 Cases shall be binding in the CCAA Proceedings and constitute Final Orders with respect to such Claims.

The U.S. Debtors (after the later of the Confirmation Date and the CCAA Approval Order Date, and until the Effective Date) or the Liquidation Trust (from and after the Effective Date), shall file objections to any U.S. Disputed Claims with the Bankruptcy Court in accordance with the Bankruptcy Rules on or before the Claims Objection Deadline, as the same may be extended pursuant to the terms of this Plan or order of the Bankruptcy Court.

B. Prosecution of Objections to Canadian Claims

The Monitor, after consultation with the Liquidation Trustee and the Reorganized Parent Debtor, will allow and disallow Canadian Claims in accordance with a Claims Resolution Order granted by the Canadian Court and the authority contained therein. Any objection to a notice of disallowance or revision issued by the Monitor shall only be made to the Monitor in accordance with the Claims Resolution Order. Any final determination of the Canadian Claims made in the CCAA Proceedings pursuant to the Claims Resolution Order shall be binding in the Chapter 11 Cases and constitute Final Orders with respect to such Claims.

C. Cross-Border Provisions for Resolution of Certain Claims

1. Multiple Disputed Claims

In the event that a Disputed Claim has been separately filed against one or more Canadian Debtors and one or more U.S. Debtors and also with respect to Securities Law Claims, the Monitor and Liquidation Trustee may determine a mutually acceptable process for prosecuting and resolving such Claim in accordance with the Claims Resolution Order, including deciding to liquidate such Disputed Claim under this Plan as a Disputed Canadian Claim or Disputed U.S. Claim, respectively, and if no agreement can be reached, the Bankruptcy Court and Canadian Court shall decide the process by an order of both courts. Any appeal in respect of such Disputed Claim shall only be made to the Monitor in accordance with the Claims Resolution Order if such Disputed Claim is treated as a Disputed Canadian Claim or to the U.S. Debtor or Liquidation Trustee, as applicable, if such Disputed Claim is treated as a Disputed U.S. Claim.

2. Applicable Statutory Caps

To the extent that a provision of the Bankruptcy Code or a provision of the CCAA or an order of the Canadian Court limits the Allowed amount of a particular type of Claim (e.g., sections 502(b)(6) and 502(b)(7) of the Bankruptcy Code), the distribution on such Allowed Claim under this Plan shall not exceed the lesser of (a) the Allowed amount such Claim is entitled to under the provisions of the Bankruptcy Code; and (b) the Allowed amount such Claim is entitled to under the CCAA or any order of the Canadian Court.

3. Estimation of Claims

The Liquidation Trust, after consultation with the Monitor, may, at any time after the Effective Date, request that the Bankruptcy Court estimate any contingent or unliquidated U.S. Claim respectively, pursuant to section 502(c) of the Bankruptcy Code, regardless of whether any Debtor previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any U.S. Claim at any time, including during litigation concerning any objection to any U.S. Claim, and during the pendency of any appeal relating to any such objection.

The Monitor may, at any time after the Effective Date and after consultation with the Liquidation Trustee, request the Canadian Court or claims officer appointed by the Canadian Court to estimate, determine or resolve any contingent or unliquidated Canadian Claim respectively, pursuant to the CCAA and in accordance with a Claims Resolution Order.

If the Bankruptcy Court or the Canadian Court or a claims officer appointed by the Canadian Court estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the applicable court. If the estimated amount constitutes a maximum limitation on such Claim, the Liquidation Trust or Monitor, as applicable, may elect to pursue any supplemental proceedings to object to the allowance and any ultimate payment on such Claim. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court or the Canadian Court, as applicable, including under this Plan, the CCAA Approval Order or a Claims Resolution Order.

4. Distributions on Allowed Claims

As further provided in Article VII of this Plan, the Distribution Agent shall make all distributions on Allowed Claims from the Sale Proceeds. The Liquidation Trustee shall direct the Distribution Agent to make distributions on account of Allowed U.S. Claims and the Monitor shall direct the Distribution Agent to make distributions on account of Allowed Canadian Claims.

D. No Double Recovery on Allowed Cross-Border Claims

The aggregate recovery under this Plan, on the one hand, and in the CCAA Proceedings under the CCAA Approval Order, on the other hand, on account of any Claim for which more than one Debtor 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 shall not exceed 100% of the Allowed amount of the Claim as determined in accordance with this Plan, the CCAA Approval Order or a Claims Resolution Order, as applicable.

E. Reserves

1. Liquidation Trust Expense Reserve

On the Effective Date, the Debtors or the Distribution Agent will fund with Cash the Liquidation Trust Expense Reserve in the amount set forth in the Plan Supplement, and the Liquidation Trust Expense Reserve will remain under the control of the Reorganized Parent Debtor until (1) a Clearance Certificate is obtained that permits transfer of the Liquidation Trust Expense Reserve to the Liquidation Trust or (2) the Board of Directors of the Reorganized Parent Debtor otherwise resolves to disburse such funds; provided, however, that at least $100,000 of the Liquidation Trust Expense Reserve shall be funded into the Liquidation Trust within 60 days of 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, and provided, further, that Wind-Down Expenses and expenses of the Liquidation Trust (including, but not limited to, professional fees incurred in connection with the Retained Causes of Action) may be paid from any reserves prior to the issuance of a Clearance Certificate. Once distributed by the Reorganized Parent Debtor, the Pro Rata portion of the Liquidation Trust Expense Reserve attributable to beneficial Holders of Allowed Parent Equity Interests that Election Option 1 under the Plan shall be treated as deemed distributions to such Holders followed immediately by deemed contributions by such Holders to the Liquidation Trust, including for all U.S. federal income tax purposes. To the extent any Cash remains in the Liquidation Trust Expense Reserve after payment of the Wind-Down Expenses of the Liquidation Trust and the Debtors, such excess Cash shall be administered in accordance with the other provisions of this Plan, including as additional distributions to Holders of Beneficial Trust Interests or to Holders of Parent Equity Interests; provided however that any such distribution shall not be made before the Final Distribution Date.

2. Holdback Amount Reserve

On the Effective Date, the Debtors or the Distribution Agent will fund in Cash the Holdback Amount Reserve from the U.S. Sale Proceeds Account in an amount sufficient to Pay in Full the Holdback Amount for Professionals and payment of any additional unpaid amounts asserted or estimated by the Professionals and Alvarez & Marsal North America, LLC as owing to any such firm for fees and expenses accrued prior to the Effective Date that have not yet been paid. To the extent any Cash remains in the Holdback Amount Reserve after payment of the Professionals and Alvarez & Marsal North America, LLC as set forth herein, such excess Cash shall be administered by the Distribution Agent in accordance with the other provisions of this Plan.

3. Individual Securities Damages Reserve

On the Effective Date, the Debtors or the Distribution Agent will fund with Cash the Individual Securities Damages Reserve, and the Individual Securities Damages Reserve will remain under the control of the Monitor on behalf of the Reorganized Parent Debtor until a Clearance Certificate or Comfort Letters are obtained and the Monitor determines that the transfer of the Individual Securities Damages Reserve to the Holder of the Individual Securities Damages Claim is permitted. The Individual Securities Damages Reserve will be used to satisfy any Allowed Individual Securities Damages Claim and will be the sole source of recovery for such Allowed Claim. To the extent any Cash remains in the Individual Securities Damages Reserve after payment of the Individual Securities Damages Claim, to the extent Allowed, or if such Claim is Disallowed, such excess Cash shall be transferred to the Distribution Agent to be administered in accordance with the other provisions of this Plan and the CCAA Approval Order.

4. Reserve Amounts

The Bankruptcy Court and the Canadian Court shall approve the Reserve amounts authorized under this Plan in the Confirmation Order and CCAA Approval Order, respectively.

F. No Interest on Allowed Claims; Setoffs

Unless otherwise specified in this Plan or by Final Order, “Allowed Administrative Claim” or “Allowed General Unsecured Claim” shall not, for any purpose under this Plan, include interest on such Administrative Claim or Claim from and after the Petition Date or attorney’s fees after the Petition Date.

An Allowed Claim shall be net of any setoff or recoupment amount of any Claim that may be asserted by any Debtor against the Holder of such Claim, which amount shall be deemed setoff or recouped pursuant to this Plan.

G. Prompt Claims Resolution

To ensure the prompt resolution of Claims, objections to all U.S. Claims that are (i) subject to reduction by section 502(b)(7) of the Bankruptcy Code, (ii) amended and superseded Claims, and (iii) duplicate Claims shall be filed by no later than thirty (30) days after the Effective Date, and notices of disallowance shall be served on all Canadian Claims that are subject to reduction by section 502(b)(7) of the Bankruptcy Code by such same date.

Additionally, beginning on the 90th day after the Effective Date and continuing every 90th day thereafter until all U.S. Claims have become Satisfied Claims, Allowed U.S. Claims or U.S. Claims disallowed by a Final Order, the Liquidation Trustee shall file on the Docket and serve on the Holders of all remaining U.S. Claims a progress report discussing its efforts to reconcile and liquidate U.S. Claims taken during the reporting period.

VII. PROVISIONS GOVERNING DISTRIBUTIONS

A. Distribution Agent

Each Distribution Agent shall make the applicable distributions under this Plan tasked to such Distribution Agent. The Distribution Agent shall act at the direction of the Reorganized Parent Debtor, the Monitor or the Liquidation Trustee, as the case may be. On the Effective Date, the Distribution Agent shall have the authority to distribute the Sale Proceeds in accordance with this Plan, and as directed by the Reorganized Parent Debtor, the Monitor or the Liquidation Trustee.

Through the Final Monitor Distribution Date, the Monitor as Distribution Agent shall make the Initial Cash Distributions from the Sale Proceeds required under this Plan and the CCAA Approval Order to Holders of Allowed Secured Claims, Allowed Priority Claims, and Allowed General Unsecured Claims, as well as to pay any Allowed Individual Securities Damages Claim from the Individual Securities Damages Reserve, upon receipt of either (a) a Clearance Certificate, (b) Comfort Letters, and/or (c) such other arrangement satisfactory to the Monitor. Following the Final Monitor Distribution Date, any Person selected by the Monitor, Reorganized Parent Debtor or the Liquidation Trustee may be designated as the Distribution Agent to make interim and final distributions to Holders of Claims and Parent Equity Interests as permitted hereunder and under the CCAA Approval Order.

Following the Effective Date, the Reorganized Parent Debtor or the Liquidation Trust, as applicable, shall pay to the Distribution Agent all reasonable and documented fees and expenses of the Distribution Agent without the need for any approvals, authorizations, actions, or consents. The Distribution Agent shall submit detailed invoices to the Reorganized Parent Debtor, the Monitor and the Liquidation Trustee, as applicable, for all fees and expenses for which the Distribution Agent seeks reimbursement and shall be paid those amounts that the Reorganized Parent Debtor, the Monitor and the Liquidation Trustee, in their sole discretion, deem reasonable. In the event that the Reorganized Parent Debtor, the Monitor or Liquidation Trustee, as applicable, object to all or any portion of the amounts requested to be reimbursed in a Distribution Agent's invoice, the Reorganized Parent Debtor, Monitor or Liquidation Trustee, as applicable, and such Distribution Agent shall endeavor, in good faith, to reach mutual agreement on the amount of the appropriate payment of such disputed fees and/or expenses. In the event that the Reorganized Parent Debtor, Monitor or Liquidation Trustee, as applicable, and the Distribution Agent are unable to resolve any differences regarding disputed fees or expenses, any such party shall be authorized to move to have such dispute heard by the Bankruptcy Court or the Canadian Court, provided however, if the dispute relates to amounts requested to be reimbursed by the Monitor, the dispute shall be heard by the Canadian Court.

B. Delivery of Distributions

Distributions to Holders of Allowed Claims shall be made by the Distribution Agent to the address of the Holder of such Claim as indicated in the Claims Register as of the Distribution Record Date. The Distribution Agent shall have no obligation to recognize the transfer of or sale of any Claim that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes herein to recognize and distribute only to those Holders of Allowed Claims who are Holders as of the close of business on the Distribution Record Date.

Distributions to Holders of Parent Equity Interests shall be made via a mandatory exchange with Clearing and Depository Services Inc. and Depository Trust Company to Holders of Parent Equity Interests at the time the distribution is made, without the establishment of a distribution record date for Parent Equity Interests, except in the case of Holders of Parent Equity Interests electing Option 1, who shall receive distributions from the Liquidation Trust or other Distribution Agent at the address set forth on their Liquidation Trust Certification Form. Any subsequent distributions on account of Liquidation Trust Beneficial Interests shall be made in similar manner, at the address listed on such Liquidation Trust Beneficiary's Liquidation Trust Certification Form, or at such other address as they later send to the Liquidation Trustee in writing.

C. Timing of Distributions

The Distribution Agent may make one or more interim and final distributions of Cash to Holders of Claims or Parent Equity Interests, in his discretion to the extent permitted hereunder, provided, however that no Cash distributions shall be made to the Holders of Allowed Parent Equity Interests or Holders of Beneficial Trust Interests under this Plan until all obligations under this Plan to the Holders of Allowed Claims (including Fee Claims) and the Wind-Down Expenses of the Debtors have been Paid in Full in Cash or reserved for pursuant to a Final Order and the Debtors or the Monitor shall have obtained Clearance Certificates permitting such distribution. With respect to Allowed Claims other than Allowed Fee Claims, the Distribution Agent shall make distributions of Cash to Holders of such Allowed Claims as follows:

1. On the Initial Distribution Date, Cash to all Holders of Allowed Claims as of the Distribution Record Date.

2. On any Interim Distribution Date, Cash to all Holders of Allowed Claims that have become Allowed after the Initial Distribution Date.

3. On the Final Distribution Date, the balance of all Cash distributions to Holders of Allowed Claims and Allowed Equity Interests, as applicable and as required under this Plan.

The Distribution Agent shall pay Allowed Fee Claims in accordance with Article III.B of this Plan.

Until the Monitor is in receipt of the Comfort Letters, the Monitor, as Distribution Agent, shall be under no obligation to make any distributions on account of any Allowed Claims. The Distribution Agent shall not make any Cash distributions from the Sale Proceeds on account of Equity Interests until receipt of the applicable Clearance Certificates satisfactory to the Distribution Agent and the Debtors.

D. No Distributions on Disputed Claims

Notwithstanding any provision in this Plan to the contrary, no distributions, partial or otherwise, shall be made with respect to a Disputed Claim until all disputes with respect to such Claim are resolved by the Liquidation Trust or the Monitor and the Holder of such Claim by Final Order or settlement. Subject to the provisions of this Plan, after a Disputed Claim becomes an Allowed Claim, the Holder of such an Allowed Claim will receive all distributions to which such Holder is then entitled under this Plan on the Initial Distribution Date, or the next scheduled Interim Distribution Date or Final Distribution Date, as the case may be. No Post-Petition Interest, including no post-Effective Date interest, shall be paid on any distributions under this Plan, including with respect to any Disputed Claim that becomes an Allowed Claim. If a Creditor incorporates more than one Claim in a Proof of Claim then: (a) such Claims will be considered one Claim for purposes of this Plan, and (b) no such Claim will be bifurcated into an Allowed portion and a Disputed portion.

E. Amount of Distributions

Notwithstanding anything to the contrary herein, no Holder of an Allowed Claim shall, on account of such Allowed Claim, receive a distribution in excess of the Allowed amount of such Claim to the extent payable in accordance with this Plan, even if filed against multiple Debtors.

F. De Minimis Distributions

Notwithstanding anything contained herein to the contrary, no distribution shall be required to be paid if such payment would be less than $50.00 on any distribution, provided, however, that distributions made through the Depository Trust Company or Clearing and

Depository Services Inc. may be made to the nearest cent, with half cents rounding down to zero, even if any such distribution would be less than $50.00.

G. Undeliverable Distributions

1. Holding of Undeliverable Distributions

If any distribution to a Holder of an Allowed Claim, Parent Equity Interest or Liquidation Trust Beneficial Interest is returned as undeliverable, no further distributions must be made to such Holder unless and until the Monitor, Liquidation Trustee or Distribution Agent, as applicable, is notified in writing of such Holder's then-current address or other necessary information for delivery, at which time all currently due missed distributions shall be made to such Holder as soon as practicable, subject to Article VII.G.2 below. Undeliverable Distributions shall remain in the possession of the Monitor or Liquidation Trustee, as applicable, until such time as a distribution becomes deliverable, and shall not be supplemented with any interest, dividends or other accruals of any kind.

2. Failure to Claim Undeliverable Distributions

Any Holder of an Allowed Claim, Parent Equity Interest or Liquidation Trust Beneficial Interest that does not assert its right pursuant to this Plan for an Undeliverable Distribution within ninety (90) days after the distribution is distributed shall be deemed to have waived, and shall be forever barred from asserting, its rights for such Undeliverable Distribution, notwithstanding any applicable federal, state or Canadian escheat, abandoned or unclaimed property laws to the contrary. Nothing contained in this Plan shall require the Debtors, the Monitor, the Liquidation Trustee/Liquidation Trust, or a Distribution Agent to attempt to locate any Holder of an Allowed Claim, Parent Equity Interest or Liquidation Trust Beneficial Interest.

H. Distributions on Non-Business Days

Any payment or distribution due on a day other than a Business Day shall be made, without interest, on the next Business Day.

I. Tax Withholding From Distributions

Any amounts required by law to be withheld from distributions made under this Plan shall be withheld. Any amounts so withheld from any payment made under this Plan shall be deemed paid to the Holder of the Allowed Claim or Parent Equity Interest subject to withholding. Notwithstanding the above, each Holder of an Allowed Claim or Parent Equity Interest that is to receive a distribution under this Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any taxes imposed on such Holder by any Governmental Unit on account of such distribution, except for taxes withheld from payments made under this Plan. Each Debtor, the Liquidation Trustee, the Monitor or any Distribution Agent, as applicable, has the right, but not the obligation, not to make a distribution until such Holder has made arrangements satisfactory to the Debtor, the Liquidation Trustee, the Monitor or Distribution Agent for payment of any withholding tax obligations. Each Debtor, the Liquidation Trustee, the Monitor or any Distribution Agent has no liability hereunder to any party, including any Governmental Unit, for incorrectly calculating amounts to be withheld, if any. If any Debtor, the Liquidation Trustee, the Monitor or any Distribution Agent fails to withhold with respect to any such Holder's distribution, it shall have no liability for such failure to withhold to any party, including any Governmental Unit, and the Holder shall reimburse the Debtor, the Liquidation Trust, the Monitor or other Distribution Agent, as applicable. Notwithstanding any provision in this Plan to the contrary, any Debtor, the Liquidation Trustee, the Monitor or any Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under this Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms it believes are reasonable and appropriate. Any Debtor, the Liquidation Trustee, the Monitor or any Distribution Agent may require, as a condition to the receipt of a distribution, that the Holder complete the appropriate Form W-8 or Form W-9, as applicable to each Holder. If the Holder fails to comply with such a request within three (3) months, such distribution shall be deemed an Undeliverable Distribution. Finally, any Debtor, the Liquidation Trustee, the Monitor or any Distribution Agent reserves the right to allocate all distributions made under this Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, Liens, and encumbrances, if any.

J. Allocations

Unless otherwise provided in this Plan, distributions in respect of Allowed Claims shall be allocated first to the principal amount (as determined for U.S. federal income tax purposes) of such Allowed Claims, and then, to the extent the distribution exceeds the principal amount of such Allowed Claims, to any portion of such Allowed Claims for accrued but unpaid interest; provided however, that no Post-Petition Interest on account of General Unsecured Claims shall be Allowed or paid under this Plan.

K. Time Bar to Cash Payments

Checks issued on account of Allowed Claims and Parent Equity Interests and Beneficial Trust Interests may be deemed null and void if not negotiated within one hundred and eighty (180) days after the date of issuance thereof. Requests for reissuance of any check shall be made in writing directly to the Liquidation Trust, Monitor or any other Distribution Agent, as applicable, by the Holder of the Allowed Claim or Parent Equity Interest with respect to which such check originally was issued. Any request in respect of such a voided check shall be made in writing on or before the later of one hundred and eighty (180) days after the Effective Date or one hundred and eighty (180) days after the date of issuance of such check. After such date, all rights in respect of void checks shall be forever barred and the distribution on account of such Claims and Parent Equity Interests shall be treated in accordance with Article VII.G of this Plan.

L. Means of Cash Payments

Any Cash payment to be made pursuant to this Plan will be made in U.S. dollars by checks drawn on or by wire transfer from a domestic bank selected by the applicable Debtor, the Liquidation Trustee, the Monitor or any Distribution Agent, as applicable, provided, however, that any Debtor, the Liquidation Trustee, the Monitor or any Distribution Agent shall make Cash payment on any Claim filed against such Debtor in Canadian Dollars in Canadian Dollars.

M. Foreign Currency Exchange Rates

As of the Effective Date, any Claim asserted in currency(ies) other than U.S. dollars or Canadian Dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the mid-range spot rate of exchange for the applicable currency as published in *The Wall Street Journal*, National Edition, on the Petition Date. For greater certainty, the exchange rate does not apply to any Claims filed in Canadian Dollars that are paid in Canadian Dollars.

N. Setoffs

Any Debtor, the Monitor, the Liquidation Trustee or any Distribution Agent, as applicable, may, pursuant to section 558 of the Bankruptcy Code and applicable Canadian or non-bankruptcy law, set off against any Allowed Claim, the distributions to be made pursuant to this Plan on account of such Claim (before any distribution is made on account of such Claim), the claims, rights and Causes of Action of any nature that the Debtors or Liquidation Trust, as applicable, may hold against the Holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release of any such claims, rights and Causes of Action that the Debtors or the Liquidation Trust may possess against such Holder.

O. Satisfied Claims and Claims Paid or Payable by Third Parties

Any Administrative Claim or Claim that has been paid or satisfied in full or in part by any party may be adjusted on the Claims Register without a claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, provided that the Liquidation Trustee shall file a notice of satisfaction or other pleading evidencing such satisfactions as are made by the Purchaser or any other party other than a Debtor or the Monitor, or seek an order of the Bankruptcy Court with respect to the same, all in the Liquidation Trustee 's reasonable discretion. To the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor, the Monitor or a Distribution Agent, as applicable, on account of such Claim, such Holder shall repay, return or deliver any distribution held by or transferred to the Holder to the Monitor to the extent the Holder's total recovery on account of such Claim from the third party and under this Plan exceeds the total Allowed Claim of such Holder as of the date of any such distribution under this Plan. For the avoidance of doubt, prior to the making of distributions hereunder, Claims shall be reduced by the amount, if any, that was (i) paid by one or more of the Debtors pursuant to an order of the Bankruptcy Court or the Canadian Court, (ii) paid or otherwise assumed by the Purchaser in accordance with the Purchase Agreement, or (iii) otherwise satisfied by any third party; provided, however, that to the extent payment on a Claim that could be satisfied by a third party is still made, then, as permitted under applicable law, the Estates shall be subrogated to any such otherwise Satisfied Claims to recover amounts that could have been used for satisfaction of such Claim.

No distributions under this Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' 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. To the extent that one or more of the insurers agrees to satisfy a Claim should liability ultimately arise on such Claim, then immediately upon such insurers' agreement, such Claim shall be deemed Paid in Full under this Plan.

VIII. TREATMENT OF EXECUTORY CONTRACTS

A. Treatment of Executory Contracts

Except as otherwise expressly provided in Article VIII.B of this Plan, all Executory Contracts of the U.S. Debtors that have not been assumed or assumed and assigned by the Debtors as of the Confirmation Date shall be deemed rejected as of the Effective Date in accordance with, and subject to the provisions and requirements of, sections 365 and 1123 of the Bankruptcy Code.

All Executory Contracts of the Canadian Debtors that have not been assumed or assigned by the Debtors as of the Confirmation Date shall be rejected prior to or after the Effective Date in accordance with section 32 of the CCAA in the CCAA Proceedings.

B. Insurance Policies

Notwithstanding anything to the contrary in this Plan or Confirmation Order, unless any insurance policies have been expressly rejected pursuant to a separate order of the Bankruptcy Court (or through the Confirmation Order), any insurance policies of the Debtors in which the Debtors are or were insured parties (including, without limitation, any policies covering directors' or officers' conduct), or any related insurance agreement issued prior to the Petition Date, shall continue in effect after the Effective Date pursuant to the respective terms and conditions and shall be treated as if assumed. All rights of the Debtors under any insurance policies shall automatically become vested in the Liquidation Trust and the Reorganized Parent Debtor without necessity for further approvals or orders. To the extent that any insurance policies or related insurance agreements are deemed executory contracts, then, unless such policies have been rejected pursuant to a separate order of the Bankruptcy Court or the Canadian Court (or through the Confirmation Order), notwithstanding anything to the contrary in this Plan, this Plan shall constitute a motion to assume, assume and assign, permit "ride through," or ratify such insurance policies or insurance agreements. Subject to the occurrence of the Effective Date, the entry of the Confirmation Order shall constitute both approval of such assumption pursuant to section 365 of the Bankruptcy Code and a finding by the Bankruptcy Court or the Canadian Court that such assumption is in the best interests of the Estates. Unless otherwise determined by the Bankruptcy Court or the Canadian Court pursuant to a Final Order or agreed upon by the parties prior to the Effective Date, no payments shall be required to cure any defaults of the Debtors existing as of the Confirmation Date with respect to any insurance policy or insurance agreement assumed, or assumed and assigned, pursuant to this Section. Each insurance company is prohibited from, and the Confirmation Order shall include an injunction against, denying, refusing, altering or delaying coverage on any basis regarding or related to these Chapter 11 Cases, this Plan or any provision within this Plan, including the treatment or means of liquidation set out within this Plan for any insured Claims or Retained Causes of Action. Without limiting the generality of the foregoing, all directors' and officers' liability insurance policies in effect as of the Confirmation Date shall be deemed assumed and shall not be rejected.

C. Effect of Confirmation Order on Rejection of Executory Contracts

Other than as provided in Article VIII.B of this Plan, entry of the Confirmation Order shall constitute an order of the Bankruptcy Court pursuant to sections 365 and 1123(b) of the Bankruptcy Code approving the rejection of the Executory Contracts of the U.S. Debtors as of the Effective Date and determining that with respect to such rejections, such rejected Executory Contracts are burdensome and that the rejection therein is in the best interests of the Estates.

D. Rejection Damages Claims and Objections to Rejection

Claims arising out of the rejection of any Executory Contract pursuant to this Plan must be filed and served no later than thirty (30) days after the Effective Date. Holders of any Claim not filed within such time will be forever barred from asserting such Claim against the Liquidation Trust, the Monitor, the Debtors or their Estates, or their respective successors or assigns or their respective property. Unless otherwise ordered by the Bankruptcy Court or the Canadian Court or specified in this Plan, all Claims arising from the rejection of Executory Contracts under this Plan shall be treated as General Unsecured Claims under this Plan.

E. Preexisting Obligations Under Executory Contracts

The Debtors and the Liquidation Trust reserve the right to assert that rejection of any Executory Contract pursuant to this Plan, the CCAA or otherwise shall not constitute a termination of obligations owed to the Debtors and/or the Liquidation Trust, as applicable, under such contracts, including on the grounds that such Executory Contract was, in fact, not executory and such obligations owed to the Debtors "rode through" the Chapter 11 Cases. Notwithstanding any non-bankruptcy law to the contrary, the Debtors and the Liquidation Trust expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased, or services previously received, or insurance obligations, by or for the benefit of the contracting Debtors or the Liquidation Trust, as applicable, from counterparties to rejected Executory Contracts.

F. Reservation of Rights

Nothing contained in this Plan, shall constitute an admission by the Debtors or the Liquidation Trust, as applicable, that any contract is in fact an Executory Contract, or that the Debtors or Liquidation Trust, as applicable, have any liability thereunder. In the event of a dispute regarding whether a contract is or was executory at the time of assumption or rejection, the Debtors or Liquidation Trust, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter the treatment of such contract.

IX. CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THIS PLAN

A. Conditions Precedent to Confirmation

It shall be a condition to Confirmation of this Plan that:

1. the Disclosure Statement Order shall have been entered by the Bankruptcy Court on the Docket of the Chapter 11 Cases, in form and substance acceptable to the Debtors, the Monitor, Creditors' Committee and Equity Committee, and such order shall not be subject to a stay;

2. The Canadian Court shall have issued an Order in form and substance satisfactory to the Debtors, the Monitor and the Committees confirming the steps to be taken by the Debtors in the CCAA Proceedings, including seeking approval of the CCAA Approval Order (the "Initial CCAA Approval Order");

3. the Purported Securities Class Action Claim shall have been disallowed and expunged in its entirety or estimated at $0.00, in each instance, pursuant to an order of the Bankruptcy Court, Canadian Court or other court of competent jurisdiction entered on or before the Confirmation Date, and for all purposes, including, without limitation, Plan distribution purposes;

4. either the Holder of the Individual Securities Damages Claim shall have agreed to the treatment of the Individual Securities Damages Claim as provided under this Plan (including, but not limited to, the amount of the Individual Securities Damages Claim Reserve), or (ii) the Individual Securities Damages Claim shall have been estimated at $928,077.31 or some lesser amount pursuant to an order of the Bankruptcy Court or other court of competent jurisdiction entered on or before the Confirmation Date;

5. the Plan Supplement shall have been filed with the documents contemplated by this Plan, and the documents comprising the Plan Supplement shall have been approved by the Confirmation Order; and

6. The SEC, the Debtors and the Equity Committee shall have reached an agreement regarding the treatment of the SEC Claim.

B. Conditions Precedent to the Effective Date

It shall be a condition to occurrence of the Effective Date that the following conditions shall have been satisfied or waived pursuant to Article IX.D of this Plan:

1. the Bankruptcy Court shall have entered on the Docket the Confirmation Order approving this Plan (including the establishment of the Reserves, the payment of Allowed Claims and Interests as set forth in this Plan and the Global Settlement) in form and substance acceptable to the Debtors, Creditors' Committee and Equity Committee, and such order shall not be subject to a stay;

2. the Canadian Court shall have issued the CCAA Approval Order in form and substance acceptable to the Debtors, Equity Committee, the Creditors' Committee and the Monitor, and such order shall not be subject to a stay;

3. the Courts shall have approved the formation of the Liquidation Trust and the appointment of the Liquidation Trustee as the Litigation Representative for the Debtors and the Liquidation Trust with all of the rights, powers, privileges and authority described in Article V.E.12 of this Plan by appropriate orders of the Canadian Court and the Bankruptcy Court;

4. all Reserves shall have been funded in Cash;

5. all other actions and documents necessary to implement the provisions of this Plan to be effectuated on or before the Effective Date shall be reasonably satisfactory to the Debtors, the Monitor, the Creditors' Committee and the Equity Committee;

6. the Debtors shall have received all authorizations, consents, approvals, rulings, letters, opinions or documents, if any, necessary to implement this Plan; and

7. each Debtor's Plan shall have become effective.

C. Effect of Non-Occurrence of Conditions to Confirmation or Conditions Precedent to the Effective Date

If the conditions in Article IX.A and IX.B of this Plan are not satisfied or waived, as applicable, or if the Confirmation Order or CCAA Approval Order is vacated, this Plan shall be null and void in all respects and nothing contained in this Plan or the Disclosure Statement shall (a) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtors; or (b) constitute an admission, acknowledgment, offer or undertaking by the Debtors or any other Person in any respect.

D. Waiver of Conditions Precedent

The Debtors, with written consent of the Monitor and each of the Committees, may waive any of the conditions precedent set forth in Article IX.A and Article IX.B of this Plan, other than IX.A.1, IX.B.1, and IX.B.2 in whole or in part at any time, without notice, without leave or order of the Bankruptcy Court, and without any formal action other than proceeding to confirm and/or consummate this Plan.

X. EFFECT OF CONFIRMATION OF THIS PLAN

A. Certain Releases by the Debtors

Notwithstanding anything contained herein to the contrary, as of the Effective Date, and to the fullest extent authorized by applicable law, for good and valuable consideration, the adequacy of which is hereby confirmed, the Debtor Releasees are deemed released and discharged by the Liquidation Trust, the Debtors and the Estates, from any and all claims, obligations, suits, judgments, damages, demands, debts, remedies, Causes of Action, rights of setoff, other rights, and liabilities whatsoever, including any derivative claims, asserted or that could be asserted directly or indirectly on behalf of the Liquidation Trust, the Debtors, or the Estates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, and any and all Causes of Action asserted or that could possibly have been asserted on behalf of the Liquidation Trust, the Debtors, or the Estates (whether individually or collectively) based on, relating to or arising from, in whole or in part, the Debtors, the Estates or the Debtors' subsidiaries, the conduct of the Debtors' businesses, the out-of-court efforts to restructure or liquidate the Debtors, the filing and prosecution of the Chapter 11 Cases or the CCAA Proceedings, the prepetition contracts and agreements with any Debtor or any Estate, all to the extent such acts or occurrence took place prior to the Petition Date (collectively, the "Released Liabilities"); provided, however, that as to any employees of the Debtors who are Insured Persons (such employees, "Insured Employees"), the Debtors, the Estates and the Liquidation Trust, as applicable, shall be permitted to pursue the Insured Employees for any Released Liabilities (the "Permitted Actions") so long as all recourse for the Permitted Actions against such Insured Employees shall be limited in all respects to applicable insurance proceeds actually available and the Insured Employees shall have no personal liability related to any Permitted Actions. Notwithstanding anything contained herein, an Insured Employee shall receive the benefit of the release provisions contained in this Article X.A of the Plan only if, prior to the Effective Date, the Debtors have obtained the consent of the [D&O Insurers], in form and substance acceptable to the Equity Committee in its discretion, confirming that the rights of the Debtors, the Estates and the Liquidation Trust to pursue all applicable insurance policies on account of the Permitted Actions and obtain recoveries thereunder in respect to the Permitted Actions shall not be affected, impaired, or compromised in any way by the releases of the Debtor Releasees or any other Insured Employee granted in this Article X.A. To the extent such consent has not been obtained from the [D&O Insurers] prior to the Effective Date, the releases granted in this Article X.A to any Insured Employee shall be null and void. For the avoidance of doubt, except to the extent expressly provided under this Plan in respect to the Debtor Releasees, no release is being granted to any Person or entity under this Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases set forth in this Article X.A, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that such release is: (a) in exchange for the good and valuable consideration provided by the Debtor Releasees; (b) a good faith settlement and compromise of the claims released by this Article X.A; (c) in the

best interests of the Debtors and their Estates; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any Person asserting any claim or Cause of Action released by this Article X.A.

B. Certain Releases by Holders of Claims

Notwithstanding anything contained herein to the contrary, as of the Effective Date, the Third-Party Releasees shall be deemed to have been conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by the Releasing Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, remedies, Causes of Action, rights of setoff, other rights, and liabilities whatsoever, whether for tort, contract, violations of federal, provincial or state securities laws, Avoidance Actions, including any derivative claims, asserted or that could possibly have been asserted directly or indirectly on behalf of the Releasing Parties or their Affiliates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, and any and all Causes of Action asserted or that could possibly have been asserted on behalf of the Releasing Parties or their Affiliates (whether individually or collectively) or on behalf of the Holder of any Claim, based on or in any way relating to, or in any manner arising from, in whole or in part, the Liquidation Trust, the Debtors, the Debtors' Estates or the Debtors' subsidiaries, the conduct of the Debtors' businesses, the in-court or out-of-court efforts to restructure or liquidate the Debtors, the formulation, preparation, solicitation, dissemination, negotiation, or filing of the Disclosure Statement or this Plan (including the Plan Supplement), or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to the Disclosure Statement, this Plan (including the Plan Supplement), the filing and prosecution of the Chapter 11 Cases or the CCAA Proceedings, the pursuit of Confirmation, the pursuit of Consummation, the subject matter of, or the transactions or events giving rise to, any Claim that is treated in this Plan, the business or contractual arrangements between the Liquidation Trust, the Debtors, the Debtors' Estates or the Debtors' subsidiaries, on the one hand, and any Releasing Parties, on the other hand, prepetition contracts and agreements with any Debtor, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases set forth in this Article X.B, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that such release is: (a) in exchange for the good and valuable consideration provided by the Third-Party Releasees; (b) a good faith settlement and compromise of the claims released by this Article X.B; (c) in the best interests of the Debtors and their Estates; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any Person asserting any claim or Cause of Action released by this Article X.B.

C. Exculpation

Effective as of the Effective Date, none of the Exculpated Parties shall have or incur any liability to any Holder of any Claim or Equity Interest, the Debtors' Estates or any successor thereto, or any other party (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, including the formulation, negotiation and execution of the Purchase Agreement, the sale of the Debtors' assets pursuant to the Purchase Agreement, obtaining debtor-in-possession financing in connection with the Chapter 11 Cases and the CCAA Proceedings, the formulation, negotiation and execution of this Plan (including the Plan Supplement), the Disclosure Statement, the solicitation of votes for and the pursuit of confirmation of this Plan, the Consummation of this Plan, or the administration of this Plan, and the property to be distributed under this Plan, including all documents ancillary thereto, all decisions, actions, inactions and alleged negligence or misconduct relating thereto and all postpetition activities leading to the promulgation and Confirmation of this Plan (including any other post-petition act taken or omitted to be taken in connection with or in contemplation of the restructuring or liquidation of the Debtors), except in case of fraud, willful misconduct, or gross negligence by such Exculpated Party as determined by a Final Order of the Bankruptcy Court or the Canadian Court. Effective as of the Effective Date, no Person (including the Liquidation Trustee) shall have any right of action, either direct or derivative of the Estates, against the Exculpated Parties for any Exculpated Actions, provided, however, that notwithstanding anything to the contrary in this Plan, the exculpation of the Debtors' directors are subject to section 5.1(2) of the CCAA.

D. Injunction

Upon the occurrence of the Effective Date, all Holders of Claims and Equity Interests and other parties in interest, along with their respective present or former affiliates, employees, agents, attorneys, advisors, officers, directors, partners or principals, to the extent consistent with this Plan, shall be enjoined from taking any actions to interfere with the implementation of this Plan, and are permanently enjoined and forever barred from taking any action against the Exculpated Parties, Debtor Releasees or Third-Party Releasees, and their respective assets, that is inconsistent with the terms of this Plan, including an injunction from (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any Claims or Equity Interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order on account of or in connection with or with respect to any such Claims or Equity Interests; (c) creating, perfecting, or enforcing any encumbrance of any kind on account of or in connection with or with respect to any such Claims or Equity Interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind on account of or in connection with or with respect to any such Claims or Equity Interests; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Equity Interests released, exculpated, settled or otherwise addressed pursuant to this Plan, except on terms consistent with this Plan.

E. Preservation of Causes of Action

1. Vesting of Retained Causes of Action

Except as otherwise provided in this Plan or Confirmation Order, in accordance with Section 1123(b)(3) of the Bankruptcy Code, any Retained Causes of Action that the Debtors or the Estates may hold against any Entity shall vest jointly in the Reorganized Debtors and the Liquidation Trust on the Effective Date in accordance with this Plan and the CCAA Approval Order.

Except as otherwise provided in this Plan or the Confirmation Order, after the Effective Date, the Liquidation Trustee, as the Litigation Representative on behalf of the Liquidation Trust and the Reorganized Debtors, shall have the right to institute, prosecute, abandon, settle, compromise, or otherwise liquidate any Retained Causes of Action, in accordance with the terms of this Plan and/or Liquidation Trust Agreement, as applicable, and without further order of the Bankruptcy Court, in any court or other tribunal, including in an adversary proceeding filed in one or more of the Chapter 11 Cases, or an action filed in any other court of competent jurisdiction.

2. Preservation of all Retained Causes of Action Not Expressly Settled or Exculpated

Unless a Retained Cause of Action against a Person or Entity is expressly waived, relinquished, compromised, or settled in this Plan or any Final Order (including the Confirmation Order, the CCAA Approval Order or the Sale Orders), the Debtors and Liquidation Trust expressly reserve such Retained Causes of Action for later adjudication by the Liquidation Trust and the Debtors (including Retained Causes of Action not specifically identified or described herein or elsewhere, or Retained Causes of Action of which the Debtors may presently be unaware or which may arise or exist by reason of additional facts or circumstances unknown to the Debtors at this time, or facts or circumstances which may change or be different from those the Debtors now believe to exist). Therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable, or otherwise) or laches shall apply to any such Retained Causes of Action upon or after the entry of the Confirmation Order, issuance of the CCAA Approval Order or Effective Date, except where such Retained Causes of Action have been expressly released or exculpated under this Plan, the Confirmation Order, or any other Final Order. In addition, the Liquidation Trust and the Debtors expressly reserve the right to pursue or adopt any claims alleged in any lawsuit in which the Debtors are a defendant or an interested party, against any Entity, including the plaintiffs or co-defendants in such lawsuits, and all such rights are hereby expressly preserved.

F. Protection Against Discriminatory Treatment

In accordance with section 525 of the Bankruptcy Code, and consistent with paragraph 2 of Article VI of the United States Constitution, no Governmental Unit shall discriminate against the Liquidation Trust or any Debtor, as applicable, or any Person with which the Liquidation Trust or any Debtor has been, is, or becomes associated, solely because any of the Debtors was a debtor under chapter 11, may have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases) or has not paid a debt except in accordance with this Plan in the Chapter 11 Cases.

G. Release of Liens

Except as otherwise provided herein or in the Confirmation Order, on the Effective Date all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Debtors, if any, shall be fully released and settled as set forth herein; provided, however, the CCAA Charges shall be released and discharged in the manner provided for in the CCAA Approval Order.

XI. MODIFICATION, REVOCATION OR WITHDRAWAL OF THIS PLAN

A. Modifications of the Plan

After entry of the Confirmation Order, the Debtors, with the consent of the Committees and the Monitor (which consent shall not be unreasonably withheld), may amend or modify this Plan in accordance with section 1127(b) of the Bankruptcy Code to remedy any defect or omission or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan.

Entry of the Confirmation Order shall mean that all modifications or amendments to this Plan approved therein occurring after the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

B. Revocation or Withdrawal of the Plan

The Debtors, after consultation with the Monitor, Creditors' Committee and Equity Committee, reserve the right to revoke or withdraw this Plan before the later of the Confirmation Date and the CCAA Approval Order Date, and to file subsequent chapter 11 plans for any reason. If the Debtors revoke or withdraw this Plan, or if Confirmation or Consummation does not occur with respect to this Plan, then: (a) this Plan will be null and void in all respects; (b) any settlement or compromise embodied in this Plan (including the Global Settlement), assumption or rejection of Executory Contracts effected by this Plan, and any document or agreement executed pursuant thereto shall be null and void in all respects; and (c) nothing contained in this Plan or the Disclosure Statement shall: (i) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtors; or (ii) constitute an admission, acknowledgment, offer or undertaking by the Debtors or any other Person in any respects.

XII. RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Canadian Court shall retain the broadest jurisdiction over the CCAA Proceedings and the Bankruptcy Court shall retain the broadest jurisdiction over the Chapter 11 Cases after the Effective Date as legally permissible, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim against a Debtor or any Securities Law Claim, including the resolution of any and all objections to the allowance or priority of such Claims and the resolution of any request for payment of any Administrative Claim;

2. grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or this Plan, for periods ending on or before the Effective Date;

3. resolve any matters related to the assumption, assumption and assignment or rejection of any Executory Contract (including Cure Costs);

4. ensure that distributions to Holders of Allowed Claims and Equity Interests are accomplished pursuant to the provisions of this Plan and CCAA Approval Order, as applicable;

5. decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving the Debtors that may be pending before the Bankruptcy Court or CCAA Court on the Effective Date;

6. enter such orders as may be necessary or appropriate to implement or consummate the provisions of this Plan and CCAA Approval Order and all contracts, instruments, releases, and other agreements or documents created in connection with this Plan or CCAA Approval Order;

7. decide or resolve any Retained Causes of Action arising under the Bankruptcy Code, including, without limitation, Avoidance Actions and Claims under sections 362, 510, 542 and 543 of the Bankruptcy Code, and to hear and determine any requests made by the Reorganized Parent Debtor and the Liquidation Trust under Bankruptcy Rule 2004 or in respect to any Privileges and as authorized pursuant to this Plan, in connection therewith;

8. decide or resolve the Individual Securities Damages Claim, including, without limitation, to hear and determine any requests made by the Liquidation Trust under Bankruptcy Rule 2004 and as authorized pursuant to this Plan, in connection therewith;

9. resolve any cases, controversies, suits or disputes that may arise in connection with the Consummation, interpretation or enforcement of this Plan, or any Person's obligations incurred in connection with this Plan, including, without limitation, any aspect of Asset Apportionment and any matter pertaining to Plan integration with the CCAA Approval Order;

10. issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person with Consummation or enforcement of this Plan;

11. resolve any cases, controversies, suits or disputes with respect to the releases, exculpation, injunction and other provisions contained in Article X of this Plan and enter such further orders as may be necessary or appropriate to implement such releases, injunction and other provisions;

12. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

13. determine any other matters that may arise in connection with or relate to this Plan, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with this Plan;

14. enter order(s) and/or Final Decree(s) concluding the Chapter 11 Cases;

15. hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

16. hear and determine any matters involving the Liquidation Trust;

17. consider any modifications of this Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order; and

18. hear any other matter not inconsistent with the Bankruptcy Code or CCAA.

XIII. MISCELLANEOUS PROVISIONS

A. Corporate Action

Upon the Effective Date, all actions contemplated by this Plan shall be deemed authorized, approved, and, to the extent taken prior to the Effective Date, ratified without any requirement for further action by Holders of Claims or Equity Interests, directors, or officers of the Debtors or any other Person, as applicable, including: (a) the execution and delivery of all appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of this Plan, and that satisfy the requirements of any other terms on which the applicable parties may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of this Plan and having other terms on which the applicable parties may agree; (c) rejection or assumption, as applicable, of Executory Contracts; (d) the filing of appropriate certificates or articles of incorporation, amendment, or organization, reincorporation, merger, amalgamation, consolidation, conversion or dissolution, and bylaws reflecting the corporate governance changes and dissolutions contemplated by this Plan or as are otherwise appropriate to effectuate the intent of this Plan; and (e) all other actions that the Monitor, Debtors, Chief Wind-Down Officer or Liquidation Trustee determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law. All matters provided for in this Plan involving the corporate structure of the Debtors, and any corporate action required by the Debtors in connection therewith, shall be deemed to have occurred on, and shall be in effect as of, the Effective Date, without any requirement of further action by the security Holders, directors, authorized persons or officers of the Debtors. The authorizations and approvals contemplated by this Article XIII shall be effective notwithstanding any requirements under non-bankruptcy law.

B. Dissolution of the Committees

On the Effective Date, the Creditors' Committee and the Equity Committee shall each dissolve and all members, employees or agents thereof shall be released and discharged from all rights and duties arising from or related to the Chapter 11 Cases, other than the right to prepare, file, prosecute and object to Fee Claims. The Debtors shall not be responsible for paying any fees or expenses incurred by the members of or advisors to either the Creditors' Committee or the Equity Committee after the Effective Date, except for work preparing, filing, prosecuting and objecting to Fee Claims that would have also been compensable prior to the Effective Date.

C. Section 1146(a) Exemption

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property under this Plan shall not be subject to any stamp tax or similar tax. Upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forego the collection of any such tax and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment.

D. Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in this Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, agent, representative, attorney, beneficiaries, or guardian, if any, of each Person, including those of the Debtors.

E. Notices

Except as otherwise set forth in this Plan, all notices or requests in connection with this Plan shall be in writing and will be deemed to have been given when received by personal delivery, facsimile, e-mail, overnight courier or first class mail and addressed to:

If to a Debtor before the Effective Date of a Debtor's Plan	Paul, Weiss, Rifkind, Wharton & Garrison LLP 1285 Avenue of the Americas, New York, New York 10019 Attn: Kelley A. Cornish Alice Belisle Eaton and

	2001 K Street, NW Washington, DC 20006-1047 Attn: Claudia R. Tobler with a copy to: Young Conaway Stargatt & Taylor, LLP Rodney Square 1000 North King Street Wilmington, Delaware 19801 Attn: Pauline K. Morgan Sean T. Greecher Justin H. Rucki
If to the Creditors' Committee	Blank Rome LLP 1201 Market Street, Suite 800 Wilmington, Delaware 19801 Attn: Stanley B. Tarr Josef W. Mintz and One Logan Square 130 North 18th Street Philadelphia, PA 19103-6998 Attn: Michael B. Schaedle
If to the Equity Committee	Brown Rudnick LLP Seven Times Square New York, New York 10036 Attn: Robert J. Stark Andrew M. Carty and One Financial Center Boston, MA 02111 Attn: Steven B. Levine with a copy to: Montgomery McCracken Walker & Rhoads LLP 1105 North Market Street, 15th Floor

Wilmington, Delaware 19801
Attn: Natalie D. Ramsey
Mark A. Fink

If to the Monitor

Ernst & Young Inc.
100 Adelaide Street West
Toronto, ON M5H 0B3
Attn: Brian Denega
and

with a copy to:

Thornton Grout Finnigan LLP
100 Wellington Street West, Suite 3200
Toronto, Ontario M5Ks1K7
Attn: Robert Thornton
Rachel Bengino

F. Term of Injunctions or Stay

Unless otherwise provided in this Plan, the Confirmation Order, or a separate order from the Bankruptcy Court, all injunctions or stays arising under or entered during the Chapter 11 Cases in accordance with sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date shall remain in full force and effect until the later of (i) the entry of a final decree closing the last of the Chapter 11 Cases or (ii) the date indicated in such applicable order. All injunctions or stays contained in this Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms. Any stay of proceedings as provided in the CCAA Proceedings similarly is expected to continue after the Effective Date, as specifically provided for in the CCAA Approval Order.

G. Entire Agreement

Except as otherwise indicated, this Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into this Plan. To the extent the Confirmation Order or CCAA Approval Order are inconsistent with this Plan, the Confirmation Order and CCAA Approval Order, as applicable, shall control for all purposes.

H. Good Faith

Confirmation of this Plan shall constitute a finding that: (i) this Plan has been proposed in good faith and in compliance with applicable provisions of the Bankruptcy Code;

and (ii) the solicitation of acceptances or rejections of this Plan by all Persons has been in good faith and in compliance with applicable provisions of the Bankruptcy Code.

I. Severability

If, prior to the entry of the Confirmation Order, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Debtors, after consultation with the Creditors' Committee, the Equity Committee and the Monitor, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is (a) valid and enforceable pursuant to its terms; (b) integral to this Plan; and (c) non-severable and mutually dependent.

Dated: Wilmington, Delaware
August 25, 2017

Respectfully submitted,

OLD BPSUSH INC., et al.

Brian J. Fox
Chief Restructuring Officer

EXHIBIT A

Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.)
Old BH Inc. (f/k/a Bauer Hockey, Inc.)
Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.)
Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.)
Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.)
Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.)
Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.)
Old PSGI Inc. (f/k/a PSG Innovation Inc.)
Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.)
Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.)
Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.)
Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.)
Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.)
Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.)
Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively)

EXHIBIT “B”

EXHIBIT "B"

referred to in the Affidavit of

KEISHA LACKPATIAH-SEALY

Sworn September 21, 2017

Commissioner for Taking Affidavits

PLEASE NOTE THAT THIS DISCLOSURE STATEMENT HAS NOT YET BEEN APPROVED BY THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE UNDER SECTION 1125 OF THE BANKRUPTCY CODE OR THE ONTARIO SUPERIOR COURT OF JUSTICE UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*. FOR USE IN THE SOLICITATION OF ACCEPTANCES OF THE CHAPTER 11 PLAN DESCRIBED HEREIN. ACCORDINGLY, THE FILING AND DISTRIBUTION OF THIS DISCLOSURE STATEMENT IS NOT, IS NOT INTENDED AS, AND SHOULD NOT BE CONSTRUED, AS, A SOLICITATION OF ACCEPTANCES OF SUCH PLAN. THE INFORMATION CONTAINED HEREIN SHOULD NOT BE RELIED UPON FOR ANY PURPOSE BEFORE A DETERMINATION BY THE BANKRUPTCY COURT THAT THIS DISCLOSURE STATEMENT CONTAINS "ADEQUATE INFORMATION" WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE.

In re:	)	Chapter 11
	)	
OLD BPSUSH INC., *et al.*,	)	Case No. 16-12373 (KJC)
	)	
Debtors.[1]	)	(Jointly Administered)
	)	

DISCLOSURE STATEMENT WITH RESPECT TO JOINT CHAPTER 11 PLAN OF LIQUIDATION OF OLD BPSUSH INC. AND ITS AFFILIATED DEBTORS

PAUL, WEISS, RIFKIND,
WHARTON & GARRISON LLP
Kelley A. Cornish
Alice Belisle Eaton
Claudia R. Tobler
1285 Avenue of the Americas
New York, New York 10019
Telephone: (212) 373-3000
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Counsel to the Debtors and Debtors-in-Possession

YOUNG CONAWAY
STARGATT & TAYLOR, LLP
Pauline K. Morgan (No. 3650)
Sean T. Greecher (No. 4484)
Justin H. Rucki (No. 5304)
Shane M. Reil (No. 6195)
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

Dated: August 25, 2017

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd. (1514), and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively). The Debtors' mailing address is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

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EXHIBITS TO DISCLOSURE STATEMENT	
Exhibit 1	List of Debtors

RECOMMENDATION BY DEBTORS, OFFICIAL CREDITORS COMMITTEE AND OFFICIAL EQUITY COMMITTEE; SUPPORT OF THE MONITOR

THE DEBTORS RECOMMEND THAT ALL HOLDERS OF GENERAL UNSECURED CLAIMS AND PARENT EQUITY INTERESTS RECEIVING A BALLOT VOTE IN FAVOR OF THE PLAN.

THE CREDITORS COMMITTEE AND THE EQUITY COMMITTEE SUPPORT THE PLAN AND ALSO RECOMMEND THAT ALL HOLDERS OF GENERAL UNSECURED CLAIMS AND PARENT EQUITY INTERESTS RECEIVING A BALLOT VOTE IN FAVOR OF THE PLAN.

THE MONITOR WILL PREPARE A REPORT TO THE CANADIAN COURT OUTLINING ITS SUPPORT OF THE PLAN BASED ON THE MONITOR'S OWN ANALYSIS AND CONCLUSIONS, SUBJECT TO THE DISCLAIMERS THAT WILL BE OUTLINED THEREIN.

DISCLAIMER

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT FOR THE JOINT CHAPTER 11 PLAN OF LIQUIDATION OF OLD BPSUSH INC. AND ITS AFFILIATED DEBTORS TO HOLDERS OF CLAIMS AND EQUITY INTERESTS FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE PLAN. YOU SHOULD NOT RELY UPON OR USE THE INFORMATION IN THIS DISCLOSURE STATEMENT FOR ANY OTHER PURPOSE. THIS DISCLOSURE STATEMENT HAS BEEN PREPARED PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(B) AND IS NOT NECESSARILY IN ACCORDANCE WITH FEDERAL, STATE OR PROVINCIAL SECURITIES LAWS OR OTHER SIMILAR LAWS, INCLUDING SECURITIES LAWS APPLICABLE IN CANADA AND THE UNITED STATES.

THIS DISCLOSURE STATEMENT WAS NOT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES IN EACH OF THE PROVINCES AND TERRITORIES OF CANADA (THE "CANADIAN SECURITIES REGULATORS") OR ANY STATE OR PROVINCIAL AUTHORITY AND NONE OF THE SECURITIES AND EXCHANGE COMMISSION, THE CANADIAN SECURITIES REGULATORS, OR ANY, FEDERAL, STATE OR PROVINCIAL AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT INCLUDES FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF APPLICABLE SECURITIES LAWS INCLUDING WITH RESPECT TO IMPLEMENTATION AND CONSUMMATION OF THE PLAN, APPROVAL OF THE INITIAL CCAA APPROVAL ORDER BY THE CANADIAN COURT, RECOVERY AND DISTRIBUTION ESTIMATES, TIMING AND AMOUNT OF

ACTUAL RECOVERIES AND DISTRIBUTIONS, ANTICIPATED TAX CONSEQUENCES, TIMING OF CONSUMMATION OF THE PLAN AND THE CCAA APPROVAL ORDER, MATTERS CONTEMPLATED IN THE GLOBAL SETTLEMENT, TREATMENT OF THE SEC CLAIM, TREATMENT OF CERTAIN CLAIMS RELATED TO THE PARENT EQUITY INTERESTS (INCLUDING THE SECURITIES LAW CLAIMS) AND THE CREATION, OBLIGATIONS, POWERS AND FUNDING OF THE LIQUIDATION TRUST. THE WORDS "MAY,", "WILL", "WOULD", "SHOULD", "COULD", "EXPECTS," "PLANS", "INTENDS", "ANTICIPATES,", "TRENDS", "INDICATIONS", "ESTIMATES", "BELIEVES", "PREDICTS", "CONTINUES", "LIKELY" OR "POTENTIAL" OR THE NEGATIVE OR OTHER VARIATIONS OF THESE WORDS, OR OTHER COMPARABLE WORDS OR PHRASES, ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS.

FORWARD-LOOKING STATEMENTS, BY THEIR NATURE, ARE BASED ON ASSUMPTIONS, EXPECTATIONS, ESTIMATES AND PROJECTIONS, WHICH, ALTHOUGH, CONSIDERED REASONABLE BY THE DEBTORS AT THE TIME OF PREPARATION OF SUCH DISCLOSURE, MAY PROVE TO BE INCORRECT, AND ARE SUBJECT TO IMPORTANT RISKS AND UNCERTAINTIES. THE MATERIAL RISK FACTORS INCLUDE, BUT ARE NOT LIMITED TO:

- ACCURACY OF FINANCIAL INFORMATION;
- CONFIRMATION OF THE PLAN OR THE CCAA APPROVAL ORDER;
- THE PLAN IS SUBJECT TO CONDITIONS PRECEDENT;
- NOT ALL VOTING CLASSES MAY ACCEPT THE PLAN AND THE DEBTORS' ABILITY TO CONFIRM THE PLAN WILL DEPEND ON MEETING THE "CRAMDOWN" STANDARD UNDER THE BANKRUPTCY CODE;
- IF THE PLAN OR AN ALTERNATIVE PLAN IS NOT CONFIRMED OR THE CCAA APPROVAL ORDER IS NOT GRANTED, THE DEBTORS COULD BE FORCED TO LIQUIDATE;
- UNDUE DELAY IN CONFIRMATION OR FAILURE TO CONFIRM THE PLAN OR TO OBTAIN CCAA APPROVAL MAY RESULT IN SUBSTANTIAL EXPENSES;
- THE BANKRUPTCY COURT MAY NOT DISALLOW THE PURPORTED SECURITIES CLASS ACTION CLAIM;
- ACTUAL RECOVERY OR DISTRIBUTION MAY DIFFER FROM ESTIMATED RECOVERY AND DISTRIBUTION;
- THE TREATMENT OF THE INDIVIDUAL SECURITIES DAMAGES CLAIM;
- TREATMENT OF THE SEC CLAIM;

- DELAYS OF CONFIRMATION OR EFFECTIVE DATE;
- THE CANADIAN COURT MAY NOT ISSUE THE CCAA APPROVAL ORDER NOTWITHSTANDING CONFIRMATION OF THE PLAN BY THE BANKRUPTCY COURT;
- BANKRUPTCY RELATED CONSIDERATIONS;
- RETAINED CAUSES OF ACTION MAY HAVE NO VALUE;
- NO DUTY TO UPDATE THIS DISCLOSURE STATEMENT;
- THE LIQUIDATION TRUST BENEFICIAL INTERESTS MAY NOT BE EXEMPT FROM CERTAIN U.S. AND CANADIAN SECURITIES LAWS;
- NO REPRESENTATIONS OUTSIDE THIS DISCLOSURE STATEMENT ARE AUTHORIZED;
- NO LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE IS BEING PROVIDED BY THIS DISCLOSURE STATEMENT TO ANY CREDITORS OR HOLDERS OF EQUITY INTERESTS;
- REGULATORY COMPLIANCE MATTERS;
- NEITHER OPTION FOR RECEIVING PLAN DISTRIBUTIONS MAY FAVORABLY AFFECT THE TAX OBLIGATIONS OF HOLDERS OF PARENT EQUITY INTERESTS;
- LIQUIDATION TRUST BENEFICIARIES MAY INCUR INCOME TAX LIABILITY REGARDLESS OF WHETHER CASH DISTRIBUTIONS ARE MADE BY THE LIQUIDATION TRUST;
- CLEARANCE CERTIFICATES AND COMFORT LETTER MATTERS;
- THE PLAN TRANSACTIONS MAY RESULT IN MATERIAL TAX LIABILITIES; AND
- TAX CONSEQUENCES FOR CANADIAN HOLDERS WHO ELECT OPTION 1 AND RECEIVE BENEFICIAL TRUST INTERESTS.

FURTHERMORE, UNLESS OTHERWISE STATED, THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF, AND THE DEBTORS DO NOT INTEND AND UNDERTAKE NO OBLIGATION TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENT, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE, EXCEPT AS REQUIRED BY APPLICABLE LAW.

NO LEGAL, FINANCIAL, SECURITIES, TAX OR BUSINESS ADVICE IS PROVIDED TO YOU BY THIS DISCLOSURE STATEMENT. THE DEBTORS URGE HOLDERS OF CLAIMS AND/OR EQUITY INTERESTS TO CONSULT WITH THEIR OWN LEGAL, FINANCIAL, SECURITIES, TAX OR BUSINESS ADVISORS IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN, AND EACH OF THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF DISCLOSURE CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION OR WAIVER. RATHER, HOLDERS OF CLAIMS AND EQUITY INTERESTS AND OTHER ENTITIES SHOULD CONSTRUE THIS DISCLOSURE STATEMENT AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS RELATED TO PENDING OR THREATENED LITIGATION OR ACTIONS.

NO RELIANCE SHOULD BE PLACED ON THE FACT THAT A PARTICULAR LITIGATION CLAIM OR PROJECTED OBJECTION TO A PARTICULAR CLAIM IS, OR IS NOT, IDENTIFIED IN THIS DISCLOSURE STATEMENT. THE LIQUIDATION TRUSTEE, THE REORGANIZED DEBTOR OR THE MONITOR MAY SEEK TO INVESTIGATE, FILE AND PROSECUTE CLAIMS AND MAY OBJECT TO CLAIMS AFTER THE EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THIS DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS. THE PLAN RESERVES FOR THE LIQUIDATION TRUSTEE AND THE REORGANIZED DEBTOR THE DISCRETION TO BRING RETAINED CAUSES OF ACTION (DEFINED IN THE PLAN) AGAINST ANY ENTITY OR PARTY IN INTEREST EXCEPT THOSE SPECIFICALLY RELEASED, ENJOINED, PREVIOUSLY RELEASED OR SOLD BY THE DEBTORS.

THE DEBTORS HAVE NOT ANALYZED THE VALUE OF OR MERITS OF ANY OF THE RETAINED CAUSES OF ACTION THAT MAY BE TRANSFERRED IN WHOLE OR IN PART TO THE LIQUIDATION TRUST. MOREOVER, UNDER ONTARIO, BRITISH COLUMBIA OR OTHER CANADIAN LAW, THE TRANSFER OF SUCH RETAINED CAUSES OF ACTION MIGHT ARGUABLY PROVIDE THE PUTATIVE DEFENDANTS WITH POTENTIAL DEFENSES OR POSITIONS THEY COULD NOT OTHERWISE HAVE ASSERTED.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN EVENTS IN THE DEBTORS' CHAPTER 11 CASES AND CCAA PROCEEDINGS AND CERTAIN DOCUMENTS RELATED TO THE PLAN THAT ARE ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THE SUMMARIES DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH EVENTS. IN THE EVENT OF ANY

INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES.

PRIOR TO DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER OF A CLAIM OR EQUITY INTEREST IN A VOTING CLASS SHOULD REVIEW AND CONSIDER CAREFULLY ALL OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN GREATER DETAIL HEREIN, THE PLAN AND THE PLAN SUPPLEMENT. THIS DISCLOSURE STATEMENT IS NOT INTENDED TO REPLACE A CAREFUL AND DETAILED REVIEW AND ANALYSIS OF THE PLAN. THIS DISCLOSURE STATEMENT IS INTENDED TO AID AND SUPPLEMENT THAT REVIEW.

THE DEBTORS' MANAGEMENT, BOARD OF DIRECTORS, THE MONITOR AND FINANCIAL ADVISORS HAVE REVIEWED THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT. ALTHOUGH THE DEBTORS HAVE USED THEIR REASONABLE BUSINESS JUDGMENT TO ENSURE THE ACCURACY OF THIS FINANCIAL INFORMATION, NO ENTITY HAS AUDITED THE FINANCIAL INFORMATION CONTAINED IN, OR INCORPORATED BY REFERENCE INTO, THIS DISCLOSURE STATEMENT.

THE DEBTORS ARE MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY OR OBLIGATION TO AND DO NOT UNDERTAKE TO OR ACCEPT ANY OBLIGATION TO DO SO EXCEPT AS REQUIRED BY APPLICABLE LAW. HOLDERS OF CLAIMS AND EQUITY INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THE FILING OF THIS DISCLOSURE STATEMENT. HOLDERS OF CLAIMS AND EQUITY INTERESTS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN MUST RELY ON THEIR OWN EVALUATION OF THE DEBTORS AND THEIR OWN ANALYSIS OF THE TERMS OF THE PLAN, INCLUDING ANY RISK FACTORS CITED HEREIN, IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN.

THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR ASSETS OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

VOTING DEADLINE

THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS 5:00 P.M. (PREVAILING EASTERN TIME) ON [___________]. TO BE COUNTED, THE CLAIMS AND SOLICITATION AGENT MUST ACTUALLY RECEIVE YOUR BALLOT ON OR BEFORE THE VOTING DEADLINE.

CONFIRMATION HEARING AND DEADLINE TO OBJECT TO THE PLAN

THE HEARING TO CONSIDER CONFIRMATION OF THE PLAN HAS BEEN SCHEDULED FOR [__________] AT ______ (PREVAILING EASTERN TIME). OBJECTIONS TO CONFIRMATION OF THE PLAN MUST BE FILED (I) ON OR BEFORE [__________] AT 4:00 P.M. (PREVAILING EASTERN TIME), AND (II) IN ACCORDANCE WITH PARAGRAPH [_____] OF THE DISCLOSURE STATEMENT ORDER.

I. INTRODUCTION

Old BPSUSH Inc. and the other debtors and debtors in possession in the above-captioned cases and set forth on Exhibit 1 hereby transmit this Disclosure Statement pursuant to section 1125 of the Bankruptcy Code in connection with the Debtors' solicitation of votes (the "Solicitation") to confirm the *Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors*, dated as of [______] attached as Exhibit 2. The Debtors are the plan proponents within the meaning of section 1129 of the Bankruptcy Code.

All capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan. To the extent that a definition of a term in this Disclosure Statement and the definition of such term in the Plan are inconsistent, the definition included in the Plan shall control and govern. All references to currency or "$" in this Disclosure Statement are to U.S. dollars unless otherwise stated.

Although referred to as a "joint" plan, the Plan comprises eighteen (18) separate Plans (one for each of the Debtors' Chapter 11 Cases). For purposes of this Disclosure Statement, the Debtors distinguish between the Plan as it relates to the Debtors' ultimate parent company, Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd.) (the "Parent Debtor" and the Parent Debtor's Plan, the "Parent Plan"), on the one hand, and the Plan as it relates to the remaining Debtors, all of which are direct or indirect subsidiaries of the Parent Debtor (collectively, the "Subsidiary Debtors" and the Subsidiary Debtors' Plans, the "Subsidiary Debtor Plans"), on the other.

The Plan rests on the Global Settlement of all disputes among the Debtors, the Creditors' Committee and the Equity Committee, a settlement that the Monitor is prepared to recommend to the Canadian Court for approval. The Global Settlement provides for, among other things: (a) the Payment in Full of all Allowed General Unsecured Claims without Post-Petition Interest (to the extent it would have been allowable); (b) the resolution of all disputes regarding the treatment of Intercompany Claims and Equity Interests; (c) the resolution of all disputes regarding allocation of value and the allocation of the Sale Proceeds among the Estates; and (d) the resolution of all disputes regarding potential substantive consolidation of the Debtors. The Monitor is prepared to recommend approving the Global Settlement in the CCAA Proceedings.

The Plan, along with the Global Settlement, if confirmed, provides for the successful completion of the Debtors' liquidation and distribution of approximately $[_____] million in remaining Sale Proceeds. Together with the contemplated CCAA Approval Order, the Plan treats Allowed Claims and Equity Interests as follows:

- Secured Claims. Full amount of Allowed Claim paid in Cash.
- Priority Claims. Full amount of Allowed Claim paid in Cash.
- General Unsecured Claims. Full amount of Allowed Claim paid in Cash.

- Intercompany Claims. Reinstated for purposes of facilitating intercompany transactions in accordance with the Global Settlement.
- Intercompany Equity Interests. Reinstated for purposes of facilitating intercompany dividends and distributions in accordance with the Global Settlement.
- Securities Law Claims. Will be disallowed prior to Confirmation (with respect to the Purported Securities Class Action Claim), reserved for under the Plan (with respect to the Individual Securities Damages Claim), and/or to the extent Allowed, subordinated pursuant to section 510(b) of the Bankruptcy Code.
- Parent Equity Interests. Will receive substantially all of the assets remaining in the Estates after satisfaction of Creditor Claims and Wind-Down Expenses, including remaining Cash and Retained Causes of Action.

To provide Holders of Parent Equity Interests with options to address the differential tax treatment of receiving Plan distributions in the United States and Canada, the Plan gives the Holders of Parent Equity Interests two options. As described in more detail below, Holders of Parent Equity Interests can either (i) exchange their Parent Equity Interests into beneficial trust interests (and the right to receive their Pro Rata share of any other Shareholder Distributable Assets) and receive distributions from the Liquidation Trust on account of such interests ("Option 1"), or (ii) retain their Parent Equity Interests, and receive distributions from the Reorganized Parent Debtor on account of such interests ("Option 2"). *See* "Risk Factors" section of this Disclosure Statement.

Throughout the Chapter 11 Cases, the Debtors have worked cooperatively with their regulators, including the SEC. At this time, there is no resolution of the SEC Claim and the treatment of the SEC Claim remains to be determined. There can be no certainty as to the results of the discussions with the SEC and the Plan and this Disclosure Statement may need to be revised, as appropriate, to reflect the status of discussions with the SEC or any resolution, or lack thereof, of the SEC Claim.

On [__________], 2017 the Bankruptcy Court (i) entered an order approving this Disclosure Statement (the "Disclosure Statement Order") as containing "adequate information" under section 1125 of the Bankruptcy Code to enable a hypothetical, reasonable investor typical of the Holders of Claims against and Equity Interests in the Debtors to make an informed judgment as to whether to accept or reject the Plan, and (ii) authorized the Debtors to use this Disclosure Statement in connection with the Solicitation.

APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT, HOWEVER, CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT OR THE CANADIAN COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN.

The Disclosure Statement Order sets forth in detail the deadlines, procedures and instructions for voting to accept or reject the Plan and for filing objections to confirmation of the

Plan, the record date for voting purposes, and the applicable standards for tabulating Ballots. In addition, detailed voting instructions accompany each Ballot. Each Holder of a Claim or Equity Interest entitled to vote on the Plan should read this Disclosure Statement (including the Exhibits hereto), the Plan, the Disclosure Statement Order and the instructions accompanying their Ballot in their entirety before voting on the Plan. No solicitation of votes may be made except pursuant to the Disclosure Statement Order, this Disclosure Statement and section 1125 of the Bankruptcy Code. In voting on the Plan, Holders of Claims entitled to vote should not rely on any information relating to the Debtors and their businesses other than the information contained in or incorporated by reference into this Disclosure Statement, the Plan and all exhibits hereto and thereto.

Additional copies of this Disclosure Statement can be accessed free of charge at https://cases.primeclerk.com/PSG. Additional copies of this Disclosure Statement are also available free of charge upon request made to counsel for the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attention: Justin H. Rucki, Esq. and Shane M. Reil, Esq., (302) 571-6600 (phone) or (302) 571-1253 (facsimile).

II. VOTING REQUIREMENTS, ACCEPTANCE AND CONFIRMATION OF THE PLAN, AND OPT-OUT RELEASES

A. Parties in Interest Entitled to Vote

Pursuant to the Bankruptcy Code, only Classes of Claims and Equity Interests that are "impaired" (as defined in section 1124 of the Bankruptcy Code) under the Plan are entitled to vote to accept or reject the Plan. A Class is impaired if the legal, equitable or contractual rights to which the Claims or Equity Interests of that Class are modified by the Plan, other than by curing defaults and reinstating the debt. Classes of Claims and Equity Interests that are not impaired are not entitled to vote on the Plan and are conclusively presumed to have accepted the Plan. In addition, Classes of Claims and Equity Interests that receive no distributions under the Plan are not entitled to vote on the Plan and are deemed to not have accepted the Plan.

B. Classes Impaired Under the Plan

The following Classes of Claims are or may be impaired under the Plan and are entitled to vote on the Plan (the "Voting Classes"):

CREDITORS AND EQUITY INTEREST HOLDERS ENTITLED TO VOTE	
Class	**Designation**
Subsidiary Debtors Class 3	General Unsecured Claims
Parent Debtor Class 4	General Unsecured Claims
Parent Debtor Class 7	Parent Equity Interests

Acceptances of the Plan are being solicited only from those Holders of Claims and Equity Interests in impaired Classes that will or may receive a distribution under the Plan. Accordingly, the Debtors are soliciting acceptances from Holders of Claims in Subsidiary Debtors' Class 3, Parent Debtor Class 4, and Parent Equity Interests in Parent Debtor Class 7.

C. **Voting Procedures and Requirements**

IT IS IMPORTANT THAT HOLDERS OF IMPAIRED CLAIMS OR EQUITY INTERESTS ENTITLED TO VOTE ON THE PLAN VOTE TO ACCEPT OR REJECT THE PLAN. IF YOU HOLD CLAIMS IN MORE THAN ONE CLASS, YOU MAY RECEIVE MORE THAN ONE BALLOT. YOU SHOULD COMPLETE, SIGN AND RETURN EACH BALLOT YOU RECEIVE.

1. **Ballots**

In voting to accept or reject the Plan, please use only the Ballot or Ballots sent to you with this Disclosure Statement. If you are a member of a Voting Class and did not receive a Ballot, if your Ballot is damaged or lost or if you have any questions concerning voting procedures, please contact the Claims and Solicitation Agent, Prime Clerk LLC, **by phone at: (855)-631-5352, or by email at: psgballots@primeclerk.com**. Each Ballot enclosed with this Disclosure Statement has been encoded with the amount of your Claim for voting purposes and the Class in which your Claim has been classified. If your Claim is a Disputed Claim this amount may not be the amount ultimately allowed for purposes of distributions under the Plan. **PLEASE FOLLOW THE DIRECTIONS CONTAINED ON THE ENCLOSED BALLOT CAREFULLY.**

2. **Returning Ballots**

IF YOU ARE A HOLDER OF A SUBSIDIARY DEBTOR CLASS 3 CLAIM, A PARENT DEBTOR CLASS 4 CLAIM, OR OF PARENT DEBTOR CLASS 7 EQUITY INTERESTS, AND THUS ENTITLED TO VOTE, YOU SHOULD COMPLETE AND SIGN YOUR BALLOT AND RETURN IT IN THE ENCLOSED ENVELOPE VIA FIRST CLASS MAIL, OVERNIGHT COURIER OR HAND DELIVERY TO:

PSG Ballot Processing
c/o Prime Clerk, LLC
830 Third Avenue, 3rd Floor
New York, NY 10022

IF YOU HAVE ANY QUESTIONS ON THE PROCEDURES FOR VOTING ON THE PLAN, PLEASE CONTACT THE CLAIMS AND SOLICITATION AGENT BY PHONE AT: (855)-631-5352, OR BY EMAIL AT: psgballots@primeclerk.com

TO BE COUNTED, YOUR ORIGINAL BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE ACTUALLY RECEIVED BY THE CLAIMS AND SOLICITATION AGENT NO LATER THAN **5:00 P.M. (PREVAILING EASTERN TIME) ON [___________]**, UNLESS EXTENDED BY THE DEBTORS. ALL BALLOTS MUST BE SIGNED AND MAY BE SENT VIA U.S. FIRST CLASS MAIL, OVERNIGHT COURIER OR HAND DELIVERY.

BALLOTS DELIVERED BY EMAIL OR FACSIMILE WILL NOT BE ACCEPTED.

Prior to deciding whether and how to vote on the Plan, and whether to make an election under the Plan, each Holder in a Voting Class should consider carefully all of the information in this Disclosure Statement. Parties should also consider the Plan Supplement, a supplemental appendix to the Plan to be filed by the Debtors at least five days prior to the Voting Deadline, which will contain, among other things and to the extent applicable under the Plan as of the Confirmation Date, draft forms or signed copies, or the material terms, as applicable, of the following: (a) the names of the Director(s) that will serve on the Board of Directors of each of the Debtors after the Effective Date; (b) the name of the Chief Wind-Down Officer selected as of the Effective Date; (c) the name of the Liquidation Trustee selected as of the Effective Date; (d) the names of the members of the Liquidation Trust Advisory Board; (e) the proposed form of the Liquidation Trust Agreement; (f) the vested restricted share units and deferred share units, including those identified in the Plan Supplement which are owing to the Debtors' directors but were not granted due to the stay of proceedings in the Chapter 11 Cases and the CCAA Proceedings; and (g) amendments, if any, to the Reorganized Parent Debtor's organizational documents to be made on the Effective Date to the extent necessary to implement the Plan. The documents contained in the Plan Supplement shall be approved by the Bankruptcy Court pursuant to the Confirmation Order. The CCAA Approval Order may also approve certain documents contained in the Plan Supplement. Holders of Claims and Equity Interests may inspect a copy of the Plan Supplement, once filed, in the Office of the Clerk of the Bankruptcy Court during normal business hours, or free of charge at https://cases.primeclerk.com/PSG/ and www.ey.com/ca/psg.

D. **Opt-Out Releases**

Holders of Claims in Subsidiary Debtors' Class 3 and Parent Debtor Class 4 who wish to opt-out of granting the releases provided in Article X.B of the Plan should check the appropriate box on their Ballot and return the Ballot to the Claims Agent so that it is received on or before the Voting Deadline.

Each Holder of an Unimpaired Claim who wishes to opt-out of granting the releases provided for in Article X.B of the Plan should check the appropriate box on the Opt-Out Notice to do so, and return the Ballot to the Claims Agent so that it is received on or before the Voting Deadline.

In both cases, the failure to do so timely will result in the Holders of the above referenced Claims granting the releases set forth in Article X.B of the Plan. Holders of Parent Equity Interests are not Releasing Parties and as a result are not providing any releases under the Plan.

E. **Confirmation Hearing**

Section 1128 of the Bankruptcy Code requires that the Bankruptcy Court, after notice, conduct a hearing with respect to whether the Plan and the Debtors have fulfilled the confirmation requirements of section 1129 of the Bankruptcy Code. The Confirmation Hearing has been scheduled for **[__________] at [______] (prevailing Eastern Time)** before the

Honorable Kevin J. Carey, United States Bankruptcy Judge, United States Bankruptcy Court, 824 N. Market Street, 5th Floor, Courtroom No. 5, Wilmington, Delaware 19801. Objections, if any, to confirmation of the Plan must be served and filed so that they are received on or before **[___________], at 4:00 p.m. (prevailing Eastern Time)**, in the manner set forth in the Disclosure Statement Order. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice.

F. **Canadian Approval Hearing**

The Plan requires that the Canadian Court conduct a joint hearing with the Confirmation Hearing to consider granting the CCAA Approval Order. The Canadian Approval Hearing has been scheduled for **[___________] at [______] (prevailing Eastern Time)** before the Honorable the Honorable Justice Hainey on the 8th Floor of the Ontario Superior Court of Justice (Commercial List), 330 University Avenue, Toronto, Ontario M5G 1R7. The Canadian Approval Hearing may be postponed or adjourned from time to time by the Canadian Court without further notice.

G. **Acceptance or Rejection of the Plan**

1. Elimination of Vacant Classes

Any Class of Claims that does not have a Holder of an Allowed Claim or a Claim temporarily Allowed by the Court for voting purposes as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

2. Special Provision Governing Unimpaired Claims

Nothing under the Plan shall affect the Debtors', Monitor's or Liquidation Trust's rights in respect of any Unimpaired Claims, including all rights in respect of legal and equitable defenses to or setoffs or recoupment against any such Unimpaired Claims.

3. Acceptance by an Impaired Class

In accordance with section 1126(c) of the Bankruptcy Code and except as provided in section 1126(e) of the Bankruptcy Code, Impaired Classes of Claims entitled to vote shall have accepted the Plan as to a Debtor if the Plan is accepted by the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Claims that have timely and properly voted to accept or reject the Plan.

In accordance with section 1126(d) of the Bankruptcy Code and except as provided in section 1126(e) of the Bankruptcy Code, Impaired Classes of Equity Interests entitled to vote under the Plan shall have accepted the Plan as to a Debtor if Holders of at least two-thirds (2/3) in number of the shares of Allowed Equity Interests that have timely and properly voted to accept or reject the Plan vote such shares to accept the Plan.

4. Nonconsensual Confirmation

The Debtors request confirmation under section 1129(b) of the Bankruptcy Code with respect to (a) any Impaired Class of Claims and Equity Interests that have not accepted the Plan in accordance with sections 1126 and 1129(a)(8) of the Bankruptcy Code, (b) any Class that is deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code, or that has voted to reject the Plan pursuant to sections 1126(c) or (d) of the Bankruptcy Code, and (c) who has not accepted or who has rejected the Plan under the terms of the Plan or otherwise. The Debtors reserve the right to amend or modify the Plan in accordance with Article XI.A of the Plan to the extent, if any, that Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code requires such amendment or modification.

5. Voting Classes; Presumed Acceptance by Non-Voting Classes

If a Class contains Claims eligible to vote and no Holders of Claims eligible to vote in such Class vote to accept or reject the Plan, the Plan shall be presumed accepted by the Holders of such Claims in such Class.

6. Intercompany Equity Interests

To the extent they are deemed Reinstated under the Plan, distributions on account of Intercompany Equity Interests are being Reinstated solely for the purpose of maintaining the existing corporate structure of the Debtors pending dissolution. For the avoidance of doubt, any interest in non-Debtor subsidiaries owned by a Debtor shall continue to be owned by the applicable Debtor pending dissolution.

III. THE GLOBAL SETTLEMENT

A. The Plan and CCAA Approval Order Effect a Global Settlement by and Among the Debtors and the Committees

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, in consideration of the classification, distributions, releases, and other benefits provided under the Plan and in accordance with the CCAA Approval Order, upon the Effective Date, the provisions of the Plan constitute a good faith compromise and settlement of all issues and controversies among the Debtors and the Committees. The Global Settlement provides for, among other things: (a) the Payment in Full of all Allowed General Unsecured Claims without Post-Petition Interest (to the extent it would have been allowable); (b) the resolution of all disputes regarding the treatment of Intercompany Claims and Equity Interests; (c) the resolution of all disputes regarding allocation of value among the Debtors and the allocation of the Sale Proceeds; and (d) the resolution of all disputes regarding substantive consolidation of the Debtors. The Monitor is prepared to recommend approving the Global Settlement in the CCAA Proceedings.

In accordance with the Global Settlement, none of the Debtors, Monitor or either of the Committees will dispute or object to the allocation of Sale Proceeds under the Plan or other Assets or the CCAA Approval Order, nor seek the substantive consolidation of any or all of the Debtors.

This Disclosure Statement and the Plan constitute a motion requesting that the Bankruptcy Court approve the Global Settlement provided for in the Plan. The Debtors also intend to bring a motion for the CCAA Approval Order which will request the Canadian Court to approve the Global Settlement. Unless an objection to the proposed Global Settlement is made in writing by any party adversely affected by the Global Settlement on or before the deadline to object to Confirmation of the Plan, the Global Settlement may be approved by the Bankruptcy Court at the Confirmation Hearing and the Canadian Court at the Canadian Approval Hearing. The entry of the Confirmation Order and CCAA Approval Order will constitute the Bankruptcy Court's and Canadian Court's approval of the compromise and settlement of all such Claims, Equity Interests, and controversies, as well as a finding by the Bankruptcy Court that the Global Settlement is in the best interests of the Debtors, their Estates, and holders of Claims and Equity Interests and that it is fair, equitable and within the range of reasonableness.

For the avoidance of doubt, to the extent that the Plan is not Confirmed, the Global Settlement is not approved by order of the Canadian Court, or the Effective Date does not occur, then the Global Settlement will be void *ab initio* in all respects, and the rights of the Debtors, Monitor and the Committees with respect to the subject matter of the Global Settlement will be preserved, including the right to seek confirmation of a Chapter 11 plan pursuant to Bankruptcy Code Section 1129(b) and right to seek sanctioning of a plan of compromise and arrangement under the CCAA. The following discusses some of the individual disputes that the Global Settlement resolves.

B. The Treatment of Intercompany Claims and Equity Interests

As noted above, the Global Settlement resolves all disputes about the treatment of Intercompany Claims and Equity Interests. Prior to the Petition Date, the Debtors engaged in numerous intercompany transactions including: (a) intercompany trade transactions; and (b) intercompany debt transactions.

More specifically, in the ordinary course of business, the Debtors regularly participated in ordinary course trade transactions between and among each other (the "Intercompany Trade Transactions"). The Intercompany Trade Transactions involved either shared services performed by one Debtor for the benefit of another which were billed on a "cost plus" basis using transfer pricing, or goods which were sold from one Debtor to another using "cost plus" transfer pricing. In the case of the Debtors' non-U.S. and non-Canadian subsidiaries (the "Foreign Affiliates"), the Intercompany Trade Transactions were made between the Foreign Affiliates and Bauer Hockey Corp. (which is referred to herein as "Bauer Canada" and which has since been amalgamated with Old PSG Wind-down Ltd., f/k/a Performance Sports Group Ltd., through the Corporate Restructuring as discussed further below). Bauer Canada sold its branded product globally through Bauer Hockey AB and Bauer Hockey GmbH, both of which acted as sales and marketing service providers by facilitating the sale of Bauer product to customers throughout Europe. These Foreign Affiliates charged on a "cost plus" basis for their sales and marketing services. The Intercompany Trade Transactions gave rise to numerous intercompany balances by and among the Debtors.

Similarly, prior to the Petition Date, the Debtors entered into a variety of intercompany loans by and among themselves, and with certain of the Foreign Affiliates (the "Intercompany

Debt Transactions" and together with the Intercompany Trade Transactions, the "Intercompany Transactions"). The Intercompany Debt Transactions were generally of two kinds: (a) intercompany notes entered into in connection with the Debtors' acquisition of the Easton Baseball/Softball Business from Easton-Bell Sports, Inc. in April 2014, for $330 million in cash, plus a net working capital adjustment of $21.7 million (the "Easton Baseball/Softball Acquisition"); and (b) notes reflecting borrowings by Bauer Canada or Bauer Hockey, Inc. (now known as Old BH Inc.) under the Debtors' prepetition secured ABL facility that were advanced to other Debtors. From time to time, the Debtors also entered into intermittent or ad-hoc Intercompany Debt Transactions related to intercompany asset transfers, inventory movement or similar ordinary course business transactions.

The Easton Baseball/Softball Acquisition generated material Intercompany Debt Transactions. The Debtors initially financed the Easton Baseball/Softball Acquisition, as well as refinanced certain existing indebtedness, with a $200 million secured asset-based revolving credit facility (the "Prepetition ABL Facility") and a $450 million secured term loan credit facility (the "Prepetition Term Loan Facility"). The Parent Debtor effected the Easton Baseball/Softball Acquisition through a U.S. incorporated acquisition vehicle. A portion of the proceeds from the Prepetition Term Loan Facility were advanced to the acquisition vehicle through a series of intercompany transfers documented with intercompany notes (the "Easton Notes"). As of the Petition Date, various Easton Notes in amounts up to $250 million were outstanding.

On June 25, 2014, the Debtors completed an underwritten initial public offering on the New York Stock Exchange ("NYSE") and a new issue of common shares of the Parent Debtor in Canada for net proceeds of approximately $119.5 million (the "U.S. IPO"), including the exercise in full of the over-allotment option. The Debtors used the net proceeds of the U.S. IPO to reduce leverage and repay approximately $119.5 million of the Term Loan Facility then outstanding, but did not, at the time, repay the Easton Notes.

In connection with the Sale, the Debtors, the Monitor and the Committees reserved all their rights to challenge the extent, validity and amount of the Intercompany Transactions, including the Easton Notes. *See* U.S. Sale Order at ¶ 12 ("Nothing in this Order, the Motion, the Purchase Agreement, the Seller Disclosure Letter, Transaction Documents, or related documents, agreements, instruments, schedules, or exhibits to the contrary shall impair the rights of any party in interest to seek to recharacterize, subordinate, or otherwise challenge the extent, validity and amount of Intercompany Indebtedness[.]").

The Global Settlement resolves any potential dispute by and among the Debtors, the Monitor and the Committees about these Intercompany Transactions including: (a) whether such transactions constitute true debt on the one hand, or equity contributions on the other; (b) whether payments made on account of such transactions are repayments of debt on the one hand, or dividends on equity on the other hand; (c) whether such transactions should be subordinated on equitable grounds or otherwise; and (d) whether any of the transactions were subject to avoidance as constructive fraudulent transfers or preferential payments under Chapter 5 of the Bankruptcy Code or applicable non-bankruptcy or Canadian law.

C. **The Corporate Restructuring**

To achieve tax efficiencies, the Canadian Debtors amalgamated certain of their legal entities and completed certain other intercompany transactions prior to closing of the Sale (collectively, the "Corporate Restructuring"). The amalgamation eliminated certain corporate distinctions between various of the Canadian Debtors. Although the amalgamation was not intended to have any negative effect on any Debtor's value, the ultimate effect of the Corporate Restructuring on tax savings was uncertain, and the allocation of tax savings, if any, to which Debtor was subject to dispute.

In connection with the Sale and the Corporate Restructuring, the Debtors, the Monitor and both of the Committees reserved all of their rights with respect to the impact of the Sale or Corporate Restructuring on allocation of value or Sale Proceeds to and among the Debtors' Estates. *See* U.S. Sale Order at ¶ 51 ("The Debtors agree that notwithstanding anything in the Motion, the Purchase Agreement, Transaction Documents, or related documents, agreements, instruments, schedules, or exhibits to the contrary, any allocation pursuant to the Transaction Documents of the net cash proceeds actually received by the Debtors at the closing of the Sale.. .will not be binding for purposes of distributions of the Sale Proceeds made to creditors or interest holders . . . in connection with the confirmation, approval or consummation of a plan of reorganization, a plan of liquidation, restructuring plans or a distribution motion . . . or for any related purposes, which Distribution Apportionment will be determined in accordance with such Plan or another order of either Court or other settlement agreement or stipulation."); Restructuring Transactions Order ¶ 12 ("All stakeholders (including creditors or holders of equity security interests) explicitly reserve and preserve their rights . . . with respect to the allocation or distribution of proceeds available for distribution pursuant to the Pre-Closing Reorganization, Pre-Reorganization Distribution Model, or other methodology, as the case may be[.]").

As discussed below, the Global Settlement resolves these reservations and any potential dispute by and among the Debtors, the Monitor and the Committees concerning the allocation of value among the Debtors, the appropriate distribution model to employ for Plan purposes, and the distributable value from any of the Debtors' Estates available for Creditors and Holders of a Parent Equity Interest (such Holders, collectively, the "Shareholders").

D. **Substantive Consolidation**

The Global Settlement resolves all disputes about whether the Debtors' Estates should be substantively consolidated. To satisfy the policies of reorganization, equality of distribution and equitable treatment of creditors, bankruptcy courts historically have sometimes exercised their equitable powers, in appropriate circumstances and subject to appropriate exceptions, to treat separate and distinct entities as a single entity for bankruptcy purposes, i.e., to "substantively consolidate" the entities. By treating separate entities as a single entity for bankruptcy purposes, substantive consolidation eliminates structural priority among stakeholders with claims at different or multiple entities within a corporate group. All of the corporate group's assets and liabilities are pooled, from which all creditors and shareholders receive distributions according to their legal priorities.

The Bankruptcy Court enjoys broad equitable powers. In the U.S. Third Circuit, in ordering substantive consolidation, courts must either find, with respect to the entities in question, that (a) prepetition, they disregarded their separateness "so significantly their creditors relied on the breakdown of entity borders and treated them as one legal entity," or (b) postpetition, "their assets and liabilities are so scrambled that separating them is prohibitive and hurts all creditors." *In re Owens Corning*, 419 F.3d 195 (3d Cir. 2005), *amended by* 2005 U.S. App. Lexis 18043 (Aug. 23, 2005), *rev'g*, 316 B.R. 168 (Bankr. D. Del. 2004), *cert. denied*, 547 U.S. 1123 (2006).

The Global Settlement resolves any potential dispute by and among the Debtors, the Monitor and the Committees about whether the Debtors' Estates should be substantively consolidated under the Plan.

E. **Impact of the Global Settlement on Distributions to Creditors and Shareholders**

As discussed above, the Global Settlement consensually resolves disputes regarding numerous complex, fact-dependent issues. Litigating these issues would require discovery and extended evidentiary hearings which would significantly escalate professional fees and expenses in the Chapter 11 Cases and the CCAA Proceedings. If the Global Settlement is not approved, the Committees and other parties in interest would be able to challenge the Debtors' proposed allocation, the treatment of Intercompany Transactions, the impact of the Corporate Restructuring and the other related matters discussed in this Disclosure Statement, such as substantive consolidation. The cost of litigating these issues would be significant, and the outcome of such litigation is uncertain.

Without the Global Settlement, Shareholders might be able to receive some distributions before all General Unsecured Claims are Paid in Full (assuming all Intercompany Claims are valid and enforceable), or alternatively, the cost of litigating the settled issues could deplete the Sale Proceeds such that some Creditors and all Shareholders would not receive any distribution at all. The table below estimates recoveries that Holders of General Unsecured Claims are expected to receive assuming the Global Settlement is approved compared to estimated recoveries that Creditors would receive in a Chapter 7 liquidation. The comparison demonstrates that Creditors at eleven (11) out of fifteen (15) of the Debtors at which Claims exist would receive 7% or less recovery on account of their Claims, significantly less than the 100% recovery provided for under the Global Settlement.

Holders of Parent Equity Interests are also expected to receive greater distributions if the Global Settlement is approved. Specifically, in the absence of the Global Settlement, litigation would be expected to consume a significant amount of the Estates' Cash at the expense of Holders of General Unsecured Claims and Parent Equity Interests. In addition, if the Global Settlement or an alternative agreement with the Committees and Monitor could not be achieved, the Chapter 11 Cases may be converted to Chapter 7 liquidations. No assurances could be made that Holders of Parent Equity Interests would receive any distributions in a Chapter 7 liquidation. In exchange for the benefits of the Global Settlement – which include reduced Cash burn and a clear exit strategy – the Equity Committee agreed to a re-allocation from the Parent Debtor's Estate to the other Debtors' Estates of approximately $2 million to $4 million in value. Notably, this estimated reallocation of value assumes that the Bankruptcy Court and Canadian Court will enforce the validity of all Intercompany Claims as they currently exist, an outcome that is uncertain.

For these reasons, among others, the Debtors believe that the Global Settlement maximizes value for all stakeholders, minimizes the accrual of professional fees and administrative expenses, is fair and equitable, falls well within the range of reasonableness and should be approved by the Bankruptcy Court and Canadian Court.

	Chapter 7 Liquidation		Global Settlement under Plan	
DEBTOR ESTATE (Using Pre-Petition Names)	**Low**	**High**	**Low**	**High**
Performance Sports Group Ltd.	100%	100%	100%	100%
Bauer Hockey Corp.	3%	3%	100%	100%
Bauer Hockey, Inc.	100%	100%	100%	100%
BPS Diamond Sports Corp.	2%	3%	100%	100%
BPS Diamond Sports Inc.	3%	3%	100%	100%
BPS Uniforms Corp.	4%	4%	100%	100%
BPS Uniforms Inc.	0%	0%	100%	100%
Bauer Performance Lacrosse Inc.	21%	23%	100%	100%
Bauer Performance Lacrosse Corp.	7%	7%	100%	100%
Bauer Hockey Retail Inc.	4%	4%	100%	100%
Bauer Hockey Retail Corp.	N/A	N/A	N/A	N/A
PSG Innovation Inc.	0%	0%	100%	100%
PSG Innovation Corp.	6%	6%	100%	100%
Easton Baseball / Softball Inc.	5%	5%	100%	100%
Easton Baseball / Softball Corp.	4%	4%	100%	100%
BPS US Holdings Inc.	100%	100%	100%	100%
KBAU Holdings Canada, Inc.	N/A	N/A	N/A	N/A
BPS Canada Intermediate Corp.	N/A	N/A	N/A	N/A

IV. BUSINESS OVERVIEW; CORPORATE STRUCTURE; PREPETITION INDEBTEDNESS

A. Overview of the Debtors' Businesses and History

The Debtors formerly designed, developed, manufactured, marketed and sold performance sports equipment and accessories for ice hockey, roller hockey, lacrosse, baseball and softball, as well as related apparel, under the brand names of BAUER, EASTON, MISSION, MAVERIK, CASCADE, INARIA and COMBAT. Prepetition, the Debtors' global operations were headquartered in Exeter, New Hampshire.

The Debtors' customers included over 4,000 retailers across the globe and more than 60 international distributors. The Debtors sold their products through diverse channels of distribution including to: (i) specialty retailers that cater to sports enthusiasts who typically seek premium products at the highest performance levels; (ii) national and regional full-line sporting goods retailers and distributors; (iii) institutional buyers such as educational institutions and athletic leagues; (iv) mass retailers that offer a focused selection of products at entry-level and mid-level price points; and (v) directly to hockey consumers through their owned and operated Own The Moment - Hockey Experience retail stores in the U.S.

B. **Corporate Structure**

As detailed in the organizational chart attached hereto as Exhibit 3, Old PSG Wind-down Ltd. (formerly known as Performance Sports Group Ltd.) is a holding company and the direct or indirect sole shareholder of each of the other Debtors. Prior to seeking bankruptcy protection, the common shares, of then-Performance Sports Group Ltd. was publicly listed for trading on the Toronto Stock Exchange and, following the U.S. IPO discussed above, the NYSE, in each case under the symbol "PSG." An initial public offering was completed in Canada on March 10, 2011 and the U.S. IPO was completed on June 25, 2014. The authorized share capital of Old PSG Wind-down Ltd. (formerly known as Performance Sports Group Ltd.) consists of an unlimited number of common shares without par value. As of October 28, 2016, 45,861,205 common shares were issued and outstanding. The Debtors understand that the common shares of Old PSG Wind-down Ltd. continue to trade in over-the-counter markets.

Prior to seeking bankruptcy protection, the Debtors operated their businesses through two primary subsidiaries of then-Performance Sports Group Ltd., one incorporated in Canada and one incorporated in the United States, respectively: KBAU Holdings Canada, Inc. (now amalgamated into Old PSG Wind-down Ltd. through the Corporate Restructuring) and BPS US Holdings Inc. (now Old BPSUSH Inc.). These two entities, in turn, functioned as holding companies for the Debtors' respective businesses in Canada and the United States. More specifically, KBAU Holdings Canada, Inc. was a holding company that held, directly or indirectly, the shares of the other Canadian Debtors and Foreign Affiliates, along with indirect interests in two U.S. entities: (i) an indirect 22.07% ownership interest in then-BPS US Holdings Inc. and (ii) a 100% indirect interest in then-PSG Innovation Inc. (now Old PSGI Inc.). Old BPSUSH Inc. (formerly known as BPS US Holdings Inc.) is a Delaware holding company that holds, directly or indirectly, the shares of the other U.S. Debtor subsidiaries.

The Debtors operated their businesses on an internationally coordinated basis, and were generally structured so that there was a Canadian and U.S. subsidiary for each major business line (*i.e.*, Hockey, Baseball/Softball, Lacrosse and Apparel). Each entity performed specific functions, many of which benefited other Debtors.

C. **Prepetition Indebtedness**

At the time they sought bankruptcy protection, the Debtors' primary funded debt obligations consisted of the \$450 million Prepetition Term Loan Facility with approximately \$332 million outstanding and the maximum \$200 million revolving Prepetition ABL Facility with approximately \$158.9 million outstanding, which, as discussed above, were entered into in connection with the Easton Baseball/Softball Acquisition. As discussed below, the Prepetition Term Loan Facility and Prepetition ABL Facility have both since been repaid in full.

In addition to the Prepetition ABL Facility and Prepetition Term Loan Facility, the Debtors had entered into discrete equipment financings with certain parties, which parties retained a secured interest in such collateral, or were subject to other miscellaneous Secured Claims incurred in the ordinary course of business.

With respect to unsecured indebtedness, in the ordinary course of operating their business, the Debtors purchased goods and services from a large number of trade creditors, and owed in excess of $40 million to third-party trade creditors at the time they sought bankruptcy protection. Additionally, various Debtors were obligated to each other on account of the Intercompany Transactions discussed above. Further, certain Debtors were subject to litigation Claims related to the operation of their business.

V. EVENTS LEADING UP TO THE BANKRUPTCY PROCEEDINGS

The Debtors had been carrying a heavy debt load since the Easton Baseball/Softball Acquisition. The performance of the Debtors' business in fiscal 2016 to the Petition Date was significantly impacted by adverse market and economic conditions and related customer credit issues. The baseball/softball market experienced a significant downturn in retail sales across all product categories, but particularly in the Debtors' important bat category. This weakening of consumer demand, coupled with the Chapter 11 filing by one of the largest U.S. national sporting goods retailers and the bankruptcy of an internet baseball retailer, reduced the Debtors' sales with respect to baseball and softball products. The consolidation of hockey retailers in the U.S., and the bankruptcy of a key U.S. hockey customer, reduced customer demand for products as the Debtors' customers continued to reduce their inventory levels. The Debtors' results throughout fiscal 2016 to the Petition Date continued to be impacted negatively by foreign currency exchange rates, specifically, the depreciation of the Canadian dollar and other world currencies relative to the U.S. dollar.

On August 15, 2016, the Debtors announced that they would not file their Annual Report, including their annual audited financial statements for the fiscal year ended May 31, 2016, by the required filing date, and that the audit committee of the board of directors of Performance Sports Group Ltd. (the "Audit Committee") engaged independent legal counsel to conduct an internal investigation of Performance Sports Group Ltd.'s finalization of its financial statements and the related certification process. On August 17, 2016, Performance Sports Group Ltd. announced that it was the subject of inquiries by the SEC and Canadian Securities Regulators, including an investigation by the SEC. Previously, in May 2016, certain of the Debtors' shareholders commenced a class-action securities lawsuit against Performance Sports Group Ltd., alleging, among other things, that Performance Sports Group Ltd. made false or misleading statements and engaged in accounting manipulations, which lawsuit is discussed in greater detail below. Subsequently, on March 27, 2017, the Debtors' independent auditors, KPMG LLP, sent the Debtors a letter stating that KPMG was resigning as the Debtors' independent auditors effective immediately.

The Debtors' failure to file timely audited financial statements by August 28, 2016 resulted in a covenant default under their secured debt facilities. With no other source of liquidity, the Debtors negotiated an amendment to their secured credit facilities which provided an extension of time by which to file audited financials until October 28, 2016. The Debtors also commenced in a thorough review of strategic alternatives with the advice and guidance of experienced financial and legal advisors. Based upon that review and the consideration of the alternatives available to them, the Debtors concluded that entering into the Purchase Agreement for the going-concern sale of substantially all of the assets of the Debtors (the "Sale") to a group of investors led by Sagard Capital Partners, L.P. and Fairfax Financial Holdings Limited (collectively, the "Purchaser"), subject to a sales and auction process, was in the best interests of Performance Sports Group Ltd. and was the optimal course to maximize the value of the Debtors' assets for its stakeholders when compared to other available alternatives.

Accordingly, facing the expiration of the extension of their debt facility amendment on October 28, 2016, on October 31, 2016 (the "Petition Date") the Debtors filed voluntary petitions (collectively, the "Chapter 11 Cases") for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") and each also made an application for protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") with the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court,") commencing the Debtors' proceedings under the CCAA (the "CCAA Proceedings" and collectively with the Chapter 11 Cases, the "Bankruptcy Proceedings"). The Debtors commenced the Bankruptcy Proceedings to pursue a sale of their businesses at the highest and best value, as the status of the Debtors' debt facilities made an out-of-court sale impractical and such approach was determined not to be one that was in the best interests of Performance Sports Group Ltd. as it would not maximize the value of the Debtors' business.

For a more detailed description of the Debtors' prepetition operations and the events leading up to the commencement of the Chapter 11 Cases, please consult the Declaration of Brian J. Fox In Support of Debtors' Chapter 11 Petitions and First-Day Motions [Docket No. 15] which is incorporated herein by reference.

VI. ADMINISTRATION OF THE BANKRUPTCY PROCEEDINGS

A. Overview of Chapter 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. In addition to permitting debtor rehabilitation, chapter 11 promotes equality of treatment for similarly situated holders of claims and equity interests, subject to the priority of distributions prescribed by the Bankruptcy Code.

The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of the debtor as of the filing of a chapter 11 petition. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

The consummation of a plan is the principal objective of a chapter 11 case. A plan sets forth the means for satisfying claims against and equity interests in a debtor. Confirmation of a plan by the Bankruptcy Court makes the plan binding upon the debtor, any entity acquiring property under the plan, any holder of a claim against or equity interest in a debtor and all other entities as may be ordered by the Bankruptcy Court in accordance with the applicable provisions of the Bankruptcy Code. The order approving confirmation of a plan prohibits creditors and equity holders of a debtor from seeking to pursue claims and equity interests against or in a debtor except as provided for in the confirmed plan.

Pursuant to section 1125 of the Bankruptcy Code, acceptance or rejection of a plan may not be solicited after the commencement of a chapter 11 case until such time as a bankruptcy court has approved a disclosure statement as containing adequate information. Pursuant to section 1125(a) of the Bankruptcy Code, "adequate information" is information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding the plan. The Debtors are submitting this Disclosure Statement in satisfaction of the applicable disclosure requirements under section 1125 of the Bankruptcy Code.

B. **Overview of CCAA**

The *Companies' Creditors Arrangement Act* (commonly referred to as the "CCAA" or the "CC, double A") is one of the Federal statutes that allows a financially troubled company, or a group of affiliated companies, the opportunity to restructure their affairs. By allowing the company to restructure its financial affairs through a formal plan of compromise or arrangement and in certain cases through a sale of its business, the CCAA presents an opportunity for the company to avoid bankruptcy and settle with its creditors.

The CCAA is restricted to larger companies, as the company or affiliated group of companies must have liabilities in excess of CAD$5 million to be eligible to use the CCAA. The CCAA also allows a company to address its shareholders in addition to its creditors, if necessary. If a plan of compromise or arrangement is proposed to the company's shareholders, the CCAA court may give shareholders of a company an opportunity to vote on the plan.

The process begins in the court system when the company applies to the court for protection under the CCAA. The CCAA court may grant an order ordering a stay of proceedings, which provides the company the breathing room it needs to restructure its affairs (the "Stay of Proceedings"). The CCAA court may extend the Stay of Proceedings upon application to the CCAA court by the company. Typically, the CCAA court will extend the Stay of Proceedings if the Court considers it is appropriate to do so and if the company can demonstrate that it is acting in good faith and is diligently pursuing its restructuring efforts. There is no restriction on the number of times the Stay of Proceedings can be extended by, and with the approval of, the CCAA court. During the Stay of Proceedings, the company will often continue operating in the ordinary course and may also carryout restructuring activities.

A Monitor is an independent third party who is appointed by the CCAA court to monitor the company's ongoing operations and report to the CCAA court on the restructuring process and key developments. The Monitor's duties are set out in the CCAA and the Order appointing it and typically include reporting to the CCAA court and stakeholders on the company's activities and financial affairs, reporting to the Court on certain significant restructuring initiatives, assisting the company in its restructuring efforts and preparation of a plan of compromise or arrangement, reviewing and resolving claims, notifying the creditors (and shareholders) of any meetings in respect of a plan of compromise or arrangement and tabulating the votes at these meetings.

C. **Cross-Border Implications**

The Bankruptcy Proceedings involve both Canadian and U.S. Debtors. Stays were sought and obtained under the Bankruptcy Code and the CCAA. There was a protocol approved given the cross-border nature of the Bankruptcy Proceedings and there were and are stakeholders in Canada, the U.S. and elsewhere. The proceedings under Chapter 11 and those under the CCAA are intended to be coordinated to the fullest possible extent. As a result, there is often a motion and an order in the CCAA Proceedings that is similar or equivalent to a motion and an order made in the Chapter 11 Proceedings.

There are both similarities and differences between the CCAA and Chapter 11 of the U.S. Bankruptcy Code. One important difference is the statutory requirement under the CCAA for a Monitor, as set out above. The developed law with respect to the Monitor results in there being an independent, experienced and professional voice to aid both the stakeholders and the supervising court, in this case the Ontario Superior Court of Justice (Commercial List). Over the years, CCAA courts have entrusted Monitors with widely varied roles and responsibilities as dictated by the circumstances of the particular case.

Additionally, an important hallmark of the CCAA and the developed law with respect to it is the flexibility it provides to allow the supervising court to direct and approve the most cost effective and efficient way to achieve the purposes of the CCAA.

If a debtor’s business is not going to emerge from CCAA protection as a restructured going concern, but rather the business and assets are sold, the CCAA provides the flexibility to allow for the distribution of the proceeds to stakeholders following a Court and Monitor supervised claims process in accordance with the stakeholders’ respective priorities. Such distribution of proceeds can proceed without the necessity or formality of a plan of compromise or arrangement under the CCAA. In an unusual circumstance where all the creditors other than the equity class are paid, in a Canadian situation, one of the options would be to let the CCAA Proceedings lapse and let the shareholders recover normally from the solvent company under applicable corporate law.

As noted above, the Canadian Court has broad jurisdiction and flexibility under the CCAA to fashion an appropriate way forward in each proceeding. For example, if the Bankruptcy Proceedings did not involve the concurrent Chapter 11 Cases, there would be no requirement to incur the additional expense of filing a plan of arrangement and related disclosure statement and soliciting votes of stakeholders on the plan.

What the Debtors, supported by the Monitor, propose to do in the CCAA Proceedings is inform and advise the Canadian Court of the process being followed in the U.S. and seek the Canadian Court’s direction with respect of the U.S. confirmation process and abide by such direction. If the result of the vote on the Plan is favorable and confirmation is sought in the U.S., the Debtors, supported by the Monitor, will seek the CCAA Approval Order from the Canadian Court to implement in Canada the distributions and transactions contemplated by Plan and grant ancillary relief to fully give full effect to the substance of the Plan, including empowering the Debtors and the Monitor to perform the actions contemplated by the Plan. The granting of the CCAA Approval Order is, of course, in the discretion of the Canadian Court and while the Debtors believe that such an order will be issued, there can be no assurance that it will be made.

D. First Day Pleadings and Certain Related Relief

1. Operational First Day Motions and Orders

Concurrently with the commencement of the Chapter 11 Cases, the Debtors filed various motions requesting typical chapter 11 relief to assist the Company's transition into bankruptcy. On November 1, 2016, the Bankruptcy Court authorized the Debtors to, among other things, (i) continue to utilize their centralized cash management system on an interim basis pending a final hearing [Docket No. 60],[2] (ii) pay certain employee wages, payroll taxes and other employee benefits on an interim basis [Docket No. 63],[3] (iii) continue existing workers' compensation and other insurance coverage [Docket No. 62], (iv) pay pre-petition sales, use and other taxes [Docket No. 64], (v) pay the pre-petition claims of certain foreign, section 503(b)(9), and critical trade vendors on an interim basis [Docket No. 66],[4] (vi) pay pre-petition claims of certain shippers and warehousemen [Docket No. 65], (vii) honor certain pre-petition customer obligations and customary trade practices [Docket No. 61], (viii) establish interim procedures to resolve adequate assurance requests for their utility accounts [Docket No. 58],[5] (ix) establish interim procedures governing trading of the Debtors' equity securities [Docket No. 59],[6] and (x) appoint Prime Clerk LLC as the claims and noticing agent for the Bankruptcy Court [Docket No. 67] (the "Claims and Solicitation Agent"). The Debtors sought and obtained similar relief from the Canadian Court in the CCAA Proceedings through the CCAA Initial Order.

2. Post-Petition Financing

The Debtors also obtained interim and final approval of two separate but coordinated debtor-in-possession financing facilities (collectively, the "DIP Facilities") provided by two distinct groups of lenders, as well as the right to use cash collateral [Docket Nos. 69 & 229]. More specifically, the Debtors secured a $200 million ABL Facility (the "ABL DIP Facility") from their prepetition secured ABL lenders, under which collections were used to pay down the prepetition ABL facility, which in turn created availability for the Debtors to borrow under the ABL DIP Facility. The structure of the ABL DIP Facility created approximately $15 million of additional availability for the Debtors. The Debtors also obtained a $361 million term loan facility provided by the Purchaser, the proceeds of which were used to repay the Debtors'

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[2] The Debtors obtained final authority to utilize their centralized cash management system on November 28, 2016 [Docket No. 199].

[3] The Debtors obtained further interim approval on November 30, 2016 [Docket No. 231].

[4] The Debtors obtained final relief by Order dated November 28, 2016 [Docket No. 200].

[5] Final procedures were approved by Order dated November 28, 2016 [Docket No. 197].

[6] Final procedures were approved by Order dated November 28, 2016 [Docket No. 198].

outstanding prepetition term facility in full and provide approximately $29 million of additional working capital for the Debtors. Although the Creditors' Committee and the Equity Committee objected to final approval of the DIP Facilities [see Docket Nos. 134, 136, 178 and 180], the parties were able to consensually resolve those objections and address key issues raised by the Committees' objections.

Obtaining approval of the DIP Facilities was critical to the Debtors' ability to operate successfully while working to maximize the value of their Estates through the sale process. The Debtors' obligations under the DIP Facilities were satisfied in full through the closing of the Sale.

3. Retention and Employment of Professionals

To assist the Debtors in carrying out their duties as debtors and debtors in possession and to obtain legal representation in their Chapter 11 Cases and in the CCAA Proceedings, on November 29, 2016 the Debtors obtained orders approving their retention and employment of certain legal, financial and other professional advisors [Docket Nos. 221 (Prime Clerk as administrative advisor, in addition to its role as claims agent of the Bankruptcy Court), 222 (Alvarez & Marsal North America, LLC to provide CRO and related personnel), and 224 (Young Conaway Stargatt & Taylor, LLP as U.S. bankruptcy co-counsel)]. On December 6, 2016 and December 13, 2016, respectively, the Debtors obtained orders approving the retention of Centerview Partners LLC as their investment banker [Docket No. 244] and Paul, Weiss, Rifkind, Wharton & Garrison LLP as lead U.S. bankruptcy counsel [Docket No. 258].

For additional information with respect to the first day pleadings and related relief sought by the Debtors at the beginning of the Chapter 11 Cases, please consult the *Declaration of Brian J. Fox in Support of Debtors' Chapter 11 Petitions and First-Day Motions* [Docket No. 15], which is incorporated herein by reference.

E. Creditors' Committee and Equity Committee

On November 10, 2016, the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed the Creditors' Committee, a statutory committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code. On November 28, 2016, the U.S. Trustee appointed the Equity Committee, a statutory committee of equity security holders pursuant to section 1102 of the Bankruptcy Code. Like the Debtors, the Creditors' Committee and the Equity Committee are fiduciaries tasked with maximizing the value of the Debtors' Estates, and both have retained attorneys and other advisors to assist them.

Following the appointment of the Committees, the Committees' professionals engaged in an investigation of the Debtors and their businesses. In an effort to facilitate these investigations, with a view towards streamlining the administration of the Chapter 11 Cases and obtaining as much relief on a consensual basis as possible, the Debtors devoted significant resources to assisting the Committees in this process. Specifically, the Debtors engaged in informal discovery with each Committee including informational conference calls, document production, and the continued updating and maintenance of a data room. This informal discovery process required investments of time and resources by the Debtors, including by members of the Debtors' senior management and the Debtors' advisors.

F. Filing of Schedules of Assets and Liabilities and Statements of Financial Affairs

On December 16, 2016, the Debtors filed the Schedules of Assets and Liabilities and Statements of Financial Affairs for each of the 18 individual Debtors in the Chapter 11 Cases [Docket Nos. 280-315].

G. Setting of Bar Dates

On December 19, 2016 [Docket No. 327] (the "General Bar Date Order") and April 10, 2017 [Docket No. 1005] (the "Employee Bar Date Order" and, together with the General Bar Order, the "Bar Date Orders"), respectively, the Bankruptcy Court entered the Bar Date Orders, which established the following dates by which proofs of claim on account of a Claim were to be received by the Claims and Solicitation Agent:

BAR DATES	
General Bar Date	February 6, 2017 at 5:00 p.m. (ET)
Governmental Unit Bar Date	May 1, 2017 at 5:00 p.m. (ET)
Employee Claims Bar Date	May 17, 2017 at 5:00 p.m. (ET)
Lease/Contract Rejection Bar Date	30 days after entry of an order approving the rejection of any particular contract or lease, or in the case of a contract or lease rejected in the CCAA Proceedings, 30 days after the effective date of the disclaimer of such contract or lease

The Canadian Court also established these Bar Dates in the CCAA Proceedings. Subject to certain limited exceptions contained in the Bankruptcy Code and the Bar Date Orders, Holders of Claims were required to submit all proofs of claim by the applicable bar dates set forth above; otherwise, the Bar Date Orders provide that parties failing to do so are foreclosed from receiving any distribution from the Debtors or their Assets distributed under the Plan. Unless a later bar date applies, all proofs of claim for Claims arising against the Debtors before the Petition Date were required to be filed by the General Bar Date, regardless of claim priority.

H. The Sale of the Inaria (Soccer Uniform) Assets

On December 30, 2016, the Debtors filed the *Debtors' Motion for an Order, Pursuant to Sections 105, 363, and 365 of the Bankruptcy Code, (I) Approving the Asset Purchase Agreement for the Sale of the Soccer Uniforms Business and Authorizing the Sale Contemplated Therein; and (II) Granting Related Relief* [Docket No. 470] (the "Inaria Sale Motion") seeking approval of the sale of their soccer uniforms division for a purchase price of approximately CDN$2.07 million, subject to certain adjustments, and the assumption of related operating liabilities (the "Inaria Sale"). The Debtors received informal responses to the Inaria Sale Motion from the Committees and other parties, and worked with those parties on a revised form of order approving the Inaria Sale, which consensually resolved all of the issues raised by these parties. On January 23, 2017, the Debtors obtained entry of an order approving the Inaria Sale [Docket No. 615] from the Bankruptcy Court, and also obtained similar approval from the Canadian Court. The Inaria Sale subsequently closed on February 16, 2017. As described more fully in the Inaria Sale Motion, the soccer uniforms business generated negative EBITDA and occupied the Debtors' resources. Successfully selling the soccer uniforms division provided additional proceeds to the Debtors' Estates for the benefit of stakeholders.

I. Corporate Restructuring Motion

On January 17, 2017, the Debtors filed their *Motion for an Order, Pursuant to Sections 105 and 363 of the Bankruptcy Code and Rules 2002, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure (i) Approving Certain Corporate Restructuring Transactions In Connection With The Debtors' Going-Concern Sale; and (ii) Granting Related Relief* [Docket No. 574] (the "Corporate Restructuring Motion"). The Corporate Restructuring Motion sought authority to execute the Corporate Restructuring discussed above, which consisted of certain corporate transactions in advance of the closing of the Sale to maximize tax efficiencies. These transactions contemplated, among other things: (i) the amalgamation of certain of the Canadian Debtors into a single legal entity, thereby consolidating the Tax Assets and tax liabilities to maximize tax efficiencies across the Canadian corporate group in connection with the Sale; (ii) the resolution of various intercompany loans and variable trade balances that existed by and among certain of the Canadian Debtors and the non-Debtors, and by and among certain of the non-Debtors; and (iii) the elimination of certain intercompany receivables and, repatriation of cash to the Debtors.

The Debtors engaged in lengthy, in-depth discussions and negotiations with the Committees, the Purchaser, and the Monitor regarding the restructuring transactions contemplated by the Corporate Restructuring Motion. As a result of these discussions, the parties determined that fewer entities could be amalgamated and still effect the same result. Thus, the Debtors submitted a revised order that contemplated a modified set of Reorganization Steps (as defined in the Corporate Restructuring Motion), which was supported by the Committees, the Purchaser, and the Monitor. The Bankruptcy Court and Canadian Court entered orders on February 6, 2017 approving the Corporate Restructuring, and the Debtors subsequently effectuated the Reorganization Steps approved therein prior to the closing of the Sale.

J. Sale of the Debtors' Primary Assets to the Purchaser

As noted above, the Debtors commenced the Chapter 11 Cases and the CCAA Proceedings to maximize the value of their assets for the benefit of their Estates through one or more sales of substantially all of their assets to one or more purchasers at a public auction pursuant to section 363 of the Bankruptcy Code and section 36 of the CCAA.

Toward that end, on October 31, 2016, the Debtors filed that certain *Motion for (I) an Order (A) Establishing Bidding Procedures for the Sale of All, or Substantially All, of the Debtors' Assets; (B) Approving Bid Protections; (C) Establishing Procedures Relating to the Assumption and Assignment of Executory Contracts and Unexpired Leases; (D) Approving Form and Manner of the Sale, Cure and Other Notices; and (E) Scheduling an Auction and a Hearing to Consider the Approval of the Sale; (II) an Order (A) Approving the Sale of the Debtors' Assets Free and Clear of Claims, Liens and Encumbrances; (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief* (the "Sale and Bidding Procedures Motion") [Docket No. 16] seeking, among other things, approval of the bidding procedures proposed therein to effectuate the sale of substantially all of their assets through a going concern sale, scheduling a sale hearing, and approval of the Sale of substantially all of the Debtors' assets to the Purchaser pursuant to the Purchase Agreement (or an alternative asset purchase agreement negotiated with a higher or better "winning" bidder). Objections to entry of an order approving the bidding procedures were filed by the U.S. Trustee, the Committees, and Q30 Sports, LLC and Q30 Sports Science, LLC. The Debtors worked with each of the objecting parties to resolve their respective objections prior to, or in the case of the Equity Committee, during the joint hearing to approve the bidding procedures held on November 30, 2016 before the Bankruptcy Court and Canadian Court, at the conclusion of which both courts entered orders approving the bidding procedures [Docket No. 233].

Thereafter, the Debtors continued to diligently market their assets to potential bidders. Despite the Debtors' and their advisors' extensive efforts, the Debtors received no timely, conforming qualified bids (other than the qualified bid submitted by the Purchaser through the Purchase Agreement) prior to the deadline for submitting bids. Therefore, pursuant to the bidding procedures, the Debtors filed a notice of cancellation of the auction on January 26, 2017 [Docket No. 667] and proceeded to seek approval of the Sale to the Purchaser.

The Debtors consensually resolved approximately 40 formal and informal objections or responses to the Sale and to the assumption and assignment of certain of the Debtors' executory contracts and unexpired leases prior to the hearing to approve the Sale. The only unresolved objection at the commencement of the hearing to approve the Sale was a contract assignment objection (the "Q30 Objection") [Docket No. 651] of the Q30 Sports Parties (as defined in the Q30 Objection), which itself was settled consensually, with the support of the Monitor and the Creditors' Committee, several days later after the commencement of a contested evidentiary hearing.

On February 28, 2017, effective as of February 27, 2017, the Debtors consummated the Sale. The Sale Proceeds were used to repay the DIP Facilities in full. In addition, under the Purchase Agreement, the Purchaser agreed to pay the Debtors' open trade accounts to the extent transferred in connection with the Sale.

Following the Sale closing, the Debtors no longer conduct any business. They survive solely for the purpose of winding down the Estates, including through the reconciliation of Claims against the Estates and the formulation and prosecution of the Plan for the distribution of the remaining Sale Proceeds and other Assets to the Debtors' stakeholders. The Estates' remaining Assets, other than Cash, consist primarily of Retained Causes of Action, the value of which are estimated in the Liquidation Analysis, attached hereto as Exhibit 4..

VII. SUMMARY OF CLAIMS AGAINST THE DEBTORS; TREATMENT OF CERTAIN UNLIQUIDATED CLAIMS

A. Summary of Claims Against the Debtors

Following entry of the Bar Date Orders, approximately 713 Proofs of Claim asserting more than $150 million in Claims were filed against the Debtors. Including Claims scheduled on the Debtors' schedules of assets and liabilities (collectively, the "Scheduled Claims"), approximately $8.3 billion in claims were asserted against the Debtors. This amount does not reflect the actual liabilities owed by the Debtors, as several of the claims are for the same amount asserted against several of the Debtors, and as such these claims are counted more than once in the above total even though creditors cannot recover more than 100% of their claim against all of the Debtors. In particular, thirty-two Scheduled Claims totaling approximately $7.84 billion were attributable to the prepetition secured lenders. As noted above, the amount due to the prepetition secured lenders, totaling approximately $456.3 million, was repaid in full in connection with the Sale.

Pursuant to the Purchase Agreement and the Sale Order, the Purchaser agreed to pay open trade balances transferred in connection with the Sale, as well as up to $1 million in cure costs related to contracts and leases that the Purchaser assumed in connection with the Sale. As a result, the Purchaser satisfied approximately $59 million in Claims asserted against the Debtors. In addition, as the Debtors were required to do under the Purchase Agreement, the Debtors paid approximately $3.3 million in other cure costs.

As a result of this and other satisfactions of open accounts, on May 15, 2017, the Debtors filed their *Notice (First) of Claims Previously Satisfied* (the "First Notice of Satisfaction") [Docket No. 1073]. The First Notice of Satisfaction listed 983 filed or scheduled Claims against the Debtors that have been satisfied in full after the Petition Date, providing the corresponding creditors with notice of such satisfaction and an opportunity to respond prior to adjustment of the official claims register by the Claims and Solicitation Agent. Following the filing of the First Notice of Satisfaction, the Debtors received informal responses or formal objections from a few creditors relating to the same, and consensually resolved each of these responses and objections, or temporarily withdrew the First Notice of Satisfaction as to such Claims, through an amended First Notice of Satisfaction (the "Amended First Notice of Satisfaction") [Docket No. 1277] filed on August 23, 2017. As provided in the Amended First Notice of Satisfaction, 966 of the 983 Claims listed on the First Notice of Satisfaction were deemed satisfied on a final basis through the Amended First Notice of Satisfaction.

On August 23, 2017, the Debtors filed their *Notice (Second) of Claims Previously Satisfied* (the "Second Notice of Satisfaction") [Docket No. 1278]. The Second Notice of

Satisfaction contains an additional 208 filed or scheduled Claims against the Debtors that have been satisfied in full after the Petition Date.

The Claims that remain pending and unsatisfied against each Debtor as of the date hereof are included in the Liquidation Analysis attached hereto. As explained therein, the analysis reflects certain assumptions regarding Proofs of Claim that were filed against more than one Debtor, certain Proofs of Claim that are contingent and/or disputed, and certain Proofs of Claim that have been filed in partially or wholly unliquidated amounts. Because of these issues, the amount of Claims against the Debtors that will ultimately become Allowed Claims remains uncertain, but the Liquidation Analysis represents the best estimate of the Debtors at this time. After accounting for the Claims that have been satisfied, approximately 415 Claims against the Debtors remain, the majority of which are Claims filed by former employees of the Debtors, or unliquidated personal injury Claims. The Debtors estimate that, after accounting for the treatment of unliquidated litigation Claims for which the Debtors believe insurance coverage may exist, the aggregate amount of Claims to be paid under the Plan in accordance with the Global Settlement totals approximately [$15 million to $20 million].

B. Treatment of Certain Claims Related to the Parent Equity Interests

Three proofs of claim were filed against the Parent Debtor for damages or other liabilities associated with the Parent Equity Interests: (i) the Purported Securities Class Action Claim; (ii) the Individual Securities Damages Claim (the Claims in (i) and (ii) hereof, collectively, the "Securities Claims"); and (iii) the SEC Claim.

1. The Securities Claims – Overview

On May 16, 2016, a putative class action complaint (the "Class Action Complaint") was filed alleging that Performance Sports Group Ltd. and certain of its former officers, Kevin Davis, Amir Rosenthal and Mark Vendetti, committed securities fraud. Juan Francisco Gonzalez Nieves, as Trustee of the Gonzalez Coronado Trust ("Nieves"), an investor in the Parent Debtor was the named plaintiff of the class action, filed the Class Action Complaint on behalf of itself and purportedly on behalf of a putative plaintiff class of plaintiffs defined as all investors who purchased Parent Debtor securities on the New York Stock Exchange between January 15, 2015 and March 14, 2016 (the "Putative Class"). The Class Action Complaint was filed in the United States District Court for the Southern District of New York and was captioned *Juan Francisco Gonzalez Nieves, as Trustee of the Gonzalez Coronado Trust* v. *Performance Sports Group Ltd., Kevin Davis, Mark Vendetti, and Amir Rosenthal*, Case No. 1:16-cv-03591 (SDNY May 16, 2016).

On May 17, 2016, the Plumbers & Pipefitters National Pension Fund ("Plumbers & Pipefitters") filed a motion to appoint itself as lead plaintiff and a motion to appoint Cohen Milstein Sellers & Toll PLLC ("Cohen Milstein") as lead counsel of the Class Action Complaint. On May 27, 2016, Nieves filed a notice of non-opposition to the Plumbers & Pipefitters' motion, recognizing that Nieves "[did] not appear to have the largest financial interest [in the Action]." On June 7, 2016, the presiding District Court issued an order appointing the Plumbers & Pipefitters as lead plaintiff and Cohen Milstein as lead counsel.

On August 15, 2016, in accordance with the District Court's June 29, 2016 stipulated scheduling order, the Plumbers & Pipefitters filed an amended complaint naming the Parent Debtor, Kevin Davis and Amir Rosenthal as defendants, and removing Mark Vendetti from the amended complaint. The presiding District Court has not certified the Class, no motion seeking Class certification has been filed with the District Court or any other court, and the Debtors dispute all allegations asserted in the Class Action Complaint. On October 13, 2016, Performance Sports Group Ltd. filed a motion to dismiss the amended complaint. Plaintiffs responded on November 3, 2016, by filing a second amended complaint. In light of Performance Sports Group Ltd.'s bankruptcy, the district court issued a stay on November 9, 2016, which remains in place as to the Parent Debtor.

On or before the General Bar Date, the Plumbers & Pipefitters National Pension Fund filed a putative class action proof of claim, on behalf of itself and purportedly on behalf of the Putative Class, based on the allegations set forth in the Class Action Complaint (the "Purported Securities Class Action Claim") [Proof of Claim No. 444].

On or before the General Bar Date, the Plumbers & Pipefitters National Pension Fund, in its individual capacity, filed an individual proof of claim based on the allegations set forth in the Class Action Complaint (the "Individual Securities Damages Claim") [Proof of Claim No. 494].

2. **The Securities Claims – Treatment**

Prior to the Confirmation Hearing, the Debtors and the Equity Committee will object to the Purported Securities Class Action Claim. The Debtors and the Equity Committee believe that the Purported Securities Class Action Claim should be disallowed and expunged in its entirety pursuant to both U.S. bankruptcy law and Canadian law. The entry of an order disallowing the Purported Securities Class Action Claim is a condition precedent to confirmation of the Plan. Prior to the Confirmation Hearing, the Equity Committee shall file an objection to the Purported Securities Class Action Claim seeking entry of an Order disallowing and expunging the Purported Securities Class Action Claim in its entirety.

In addition, the Debtors will reserve $928,077 in Cash on or before the Confirmation Date for the Individual Securities Damages Claim, representing the amount of the damages alleged in the Individual Securities Damages Claim. To the extent that the Individual Securities Damages Claim is Allowed by a Final Order, as soon as reasonably practicable thereafter, the Distribution Agent shall pay such Allowed Claim in Cash and solely from and up to the amount of the Individual Securities Damages Claim Reserve. For the avoidance of doubt, the Individual Securities Damages Claim shall not receive any distribution on account of any Allowed Individual Securities Damages Claim in excess of the Individual Securities Damages Claim Reserve, and such Claim shall not be treated as a Parent Equity Interest notwithstanding section 510(b) of the Bankruptcy Code and the applicable provisions of the CCAA. The Debtors, their Estates and the Equity Committee (and, after the Effective Date, the Liquidation Trust and the Reorganized Parent Debtor) reserve all rights to object to the Individual Securities Damages Claim at any time.

If Allowed, and absent the proposed treatment set forth in the Plan, the Securities Claims would be subordinated to General Unsecured Claims and would have the same priority as the

Parent Equity Interests under section 510(b) of the Bankruptcy Code and, arguably, under the CCAA.

Section 510(b) of the Bankruptcy Code provides:

> For the purpose of distribution under this title, a claim arising from rescission of a purchase or sale of a security of the debtor or of an affiliate of the debtor, for damages arising from the purchase or sale of such a security, or for reimbursement or contribution allowed under section 502 on account of such a claim, shall be subordinated to all claims or interests that are senior to or equal the claim or interest represented by such security, except that if such security is common stock, such claim has the same priority as common stock.
>
> 11 U.S.C. § 510(b).

Similarly, the section 6(8) of the CCAA provides:

6. (8) No compromise or arrangement that provides for the payment of an equity claim is to be sanctioned by the court unless it provides that all claims that are not equity claims are to be paid in full before the equity claim is to be paid.

…

equity claim means a claim that is in respect of an equity interest, including a claim for, among others,

> …
>
> (d) a monetary loss resulting from the ownership, purchase or sale of an equity interest or from the rescission, or, in Quebec, the annulment, of a purchase or sale of an equity interest, or
>
> …

Notwithstanding the foregoing, under the Plan, to the extent Allowed, the Allowed Individual Securities Damages Claim would not have the same priority as the Parent Equity Interests, but rather, would be paid ahead of such Parent Equity Interests from the Individual Securities Damages Claim Reserve, up to the amount of such Reserve. Accordingly, the proposed treatment of any Allowed Individual Securities Damages Claim under the Plan is better than what such Allowed Individual Securities Damages Claim is entitled to under the Bankruptcy Code and applicable U.S. case law and arguably Canadian case law. For the avoidance of doubt, the Debtors, with the consent of the Equity Committee, reserve the right to modify the Plan at any time prior to the Confirmation Hearing with respect to the proposed treatment of the Individual Securities Damages Claim thereunder, including, without limitation, providing that the Individual Securities Damages Claim, to the extent Allowed, will be subordinated to the level of Parent Equity Interests under the Plan.

3. **<u>The SEC Claim</u>**

On May 10, 2016, the SEC's Enforcement Division in Boston orally notified the Parent Debtor that it was opening a non-public inquiry with respect to the Parent Debtor. The Parent Debtor, through its advisors, has been responding, and continues to respond, to the SEC's inquiries and subsequent questions and requests for information and documentation.

On or before the Government Unit Bar Date, the SEC filed the SEC Claim based on the issues above. The SEC Claim is unliquidated and disputed. Pursuant to the Plan, treatment of the SEC Claim, and voting rights in respect of the SEC Claim, remain to be determined. At this time, there is no agreement with the SEC about the treatment of the SEC Claim.

VIII. SIGNIFICANT SETTLEMENTS; PRESERVATION OF CERTAIN TAX ASSETS

A. Settlement of Purchase Price Dispute

Shortly before the closing of the Sale, a dispute about the total Closing Purchase Price (as defined in the Purchase Agreement) payable under the Purchase Agreement arose. The Purchase Agreement provided that Cash was payable at closing in an amount equal to $575 million (a) *plus* or *minus*, as applicable, the amount of certain property tax adjustments, (b) *minus* the "Specified Assumed Liability Deduction Amount" (as defined therein) and (c) *minus* the PCR AE Holdback Amount (as defined therein). *See* Purchase Agreement § 2.6. The dispute concerned whether the "Specified Assumed Liability Deduction Amount" included the capitalized amount of a certain non-residential real property lease located in Thousand Oaks, California (the "<u>California Lease</u>") as a deduction from the Closing Purchase Price. The Purchaser argued that the California Lease was a capital lease, the capitalized amount of which – approximately $12 million – should be deducted from the Closing Purchase Price. The Debtors, on the other hand, asserted that the California Lease was an ordinary operating lease, for which no deduction from the Closing Purchase Price was required.

To facilitate the closing of the Sale, the Debtors and the Purchaser agreed to hold the disputed amount in an escrow pending resolution of the California lease dispute. Following negotiations between the Purchaser and the Debtors, and with the Committees' consent, the Debtors entered into a stipulation with the Purchaser that resolved the dispute. Pursuant to the stipulation, the Debtors and Purchaser received approximately $8 million and $4 million of the escrowed funds, respectively. The stipulation also provided certain mutual releases.

On July 13, 2017, the Debtors filed a Certification of Counsel requesting that the Court enter an order approving the stipulation [Docket No. 1194], which order the Bankruptcy Court entered on July 17, 2017 [Docket No. 1197]. The Canadian Court approved the stipulation on the same date. For more information regarding the terms of the stipulation, please consult the governing documents [Docket Nos. 1194 and 1197], the terms of which are incorporated herein by reference.

B. **Preservation of Certain Tax Assets**

As noted above, at the First Day Hearing and thereafter, the Debtors obtained entry of orders establishing procedures governing the trading of Parent Equity Interests (the "Equity Trading Procedures"). The Debtors established the Equity Trading Procedures to preserve the potential value of their net operating loss carryforwards, any capital losses, unrealized built-in losses, and certain other tax and business credits and other tax assets (collectively, the "Tax Assets"). The Tax Assets could be impaired if a "change in control" was deemed to occur under section 382 of the Internal Revenue Code on account of certain trades in the Parent Equity Interests (a "Section 382 Ownership Change"). Importantly, the existence of the Tax Assets protected the Debtors from incurring potentially significant income tax liabilities in the U.S. that would have otherwise been payable upon closing of the Sale.

1. **Stornoway Recovery Fund Transfer**

On March 16, 2017, Ravensource Fund and Stornoway Recovery Fund LP, funds managed by Stornoway Portfolio Management Inc., each provided the Debtors with notice of intent to initiate the purchase of a certain number of Parent Equity Interests. The Debtors believed that, if allowed to occur as originally proposed, the proposed transactions would have resulted in a change of control that could have diminished the value of the Debtors' Tax Assets. [*See* Docket Nos. 917 and 918]. In consultation with their legal and financial advisors, the Debtors determined that it was necessary to object to the proposed acquisitions in order to preserve the Tax Assets. Accordingly, on April 17, 2017, the Debtors filed their *Objection to Notices of Intent to Purchase, Acquire, or Otherwise Accumulate an Equity Interests Filed by Stornoway Portfolio Management Inc.* [Docket No. 1014]. Thereafter, the Debtors, the Equity Committee, Ravensource Fund and Stornoway Recovery Fund LP negotiated a resolution of the trade requests and consensually reduced the number of Parent Equity Interests Stornoway Recovery Fund LP would acquire so as to preserve the Debtors' Tax Assets. *See Debtors' Notice of Allowance of Stock Trades by Stornoway Recovery Fund LP and Ravensource Fund* [Docket No. 1089] filed on May 19, 2017.

2. **Preservation of Tax Assets**

As of the closing of the Sale, the Debtors retained Tax Assets. The Debtors, along with the Equity Committee, focused throughout the Chapter 11 Cases on maximizing tax efficiencies and the value of the Tax Assets. Towards that end, the Debtors, at the request of the Equity Committee and in consultation with the Monitor, explored various alternate plan structures, including structures pursuant to which some or all of the Tax Assets potentially could be monetized for the benefit of stakeholders. In the end, the Debtors and the Equity Committee determined that the alternate plan structures that were devised to potentially monetize the Tax Assets were not reasonably practicable under the circumstances of the Debtors' cases, or cost effective under applicable law.

3. **The Bybrook Purchases**

Bybrook Capital LLP or the funds it advised (collectively, "Bybrook") traded Parent Equity Interests in a manner that could have materially impaired the Tax Assets. More specifically, Bybrook executed transactions that potentially caused a Section 382 Ownership Change if left unremedied. On July 12, 2017, the Parent Debtor and Bybrook entered into a stipulation (the "Bybrook Stipulation") pursuant to which Bybrook agreed to dispose of certain of the Parent Equity Interests that it had acquired. The Bybrook Stipulation also acknowledged that such trades were void *ab initio*, [Docket No. 1187]. The Bankruptcy Court approved the Bybrook Stipulation on July 13, 2017 [Docket No. 1192].

Had the U.S. Debtor undergone a Section 382 Ownership Change because of Bybrook's purchases, or for any other reason, the U.S. Debtors could have faced significant cash tax liabilities in connection with the Sale. The Reorganized Parent Debtor intends to take the position that the implementation of the transactions described in the Bybrook Stipulation eliminates any potential adverse tax consequences arising from a potential Section 382 Ownership change resulting from the Bybrook stock acquisitions, consistent with private rulings that the Service has given other taxpayers in similar circumstances. However, private rulings may be relied upon only by the recipient; therefore, the existing rulings are not substantive authority on which the U.S. Debtors can rely, and the Debtors do not intend to seek a ruling from the Service with respect to the Bybrook purchases or the transactions contemplated by the Bybrook Stipulation. Thus, there can be no assurance that the Bybrook purchases did not impair the Tax Assets of the U.S. Debtors. Furthermore, because the rules under section 382 of the Tax Code are highly complex, no assurance can be given that another transaction has not triggered, or will not trigger, a Section 382 Ownership Change prior to the implementation of the Plan. *See Article VIII.B. – Preservation of Certain Tax Assets*.

4. The Brookfield Sales

On November 21, 2016, Brookfield Asset Management Inc., and affiliated entities Brookfield Private Equity Inc., Brookfield Private Equity Group Holdings LP, Brookfield Capital Partners Ltd., Brookfield Asset Management Private Institutional Capital Adviser (Private Equity), L.P., PubCo Investments LP, 2484842 Ontario Limited, 251091708 Delaware LP, Partners Limited, and BCP GP Limited (collectively, the "Brookfield Entities") each filed a *Notice of Status of Substantial Shareholder* pursuant to which the Brookfield Entities stated that they beneficially owned 6,026,860 (or approximately 13.23%) of Parent Equity Interests. [Docket Nos. 166, 167, 168, 169, 170, 171, 173, 174, 175, 176]. Pursuant to a Schedule 13D, dated April 4, 2017, filed by the Brookfield Entities, and certain other filings, the Brookfield Entities state that they sold an aggregate of 6,026,860 shares of Parent Equity Interests in the open market during the period March 29, 2017 through April 6, 2017. In consultation with their legal and financial advisors, the Debtors determined that these transactions did not compromise the Tax Assets, and therefore it was not necessary to object to the transactions or exercise their rights provided for in the Equity Trading Procedures to unwind or otherwise seek to invalidate the transactions. Accordingly, on May 19, 2017, the Debtors filed their *Notice of Allowance of Stock Trades by Substantial Shareholder* [Docket No. 1095].

IX. SUMMARY OF PLAN AND CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS THEREUNDER

A. Summary of Plan

The Plan is a plan of liquidation, pursuant to which the net proceeds from the Sale, the remaining Assets, and/or any recoveries in connection with the Retained Causes of Action are being distributed to persons or entities holding Allowed Claims and Equity Interests in accordance with the priorities of the Bankruptcy Code and the CCAA, as modified by the Global Settlement, under the Plan as summarized below.

THE FOLLOWING CHARTS SUMMARIZE THE CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS UNDER THE PARENT DEBTOR PLAN AND THE SUBSIDIARY DEBTORS' PLANS, RESPECTIVELY, AND THE POTENTIAL DISTRIBUTIONS THEREUNDER. THE AMOUNTS SET FORTH BELOW ARE ESTIMATES ONLY. REFERENCE SHOULD BE MADE TO THE ENTIRE DISCLOSURE STATEMENT AND THE PLAN FOR A COMPLETE DESCRIPTION OF THE CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS. THE RECOVERIES SET FORTH BELOW ARE PROJECTED RECOVERIES AND ARE THEREFORE SUBJECT TO CHANGE. THE ALLOWANCE OF CLAIMS MAY BE SUBJECT TO LITIGATION OR OTHER ADJUSTMENTS, AND ACTUAL RECOVERIES TO HOLDERS OF PARENT EQUITY INTERESTS MAY DIFFER MATERIALLY FROM THESE ESTIMATED AMOUNTS. FOLLOWING THE CHART IS THE DESCRIPTION OF THE TREATMENT OF THE CLAIMS AND EQUITY INTERESTS UNDER THE PLAN.

1. Parent Debtor Plan: Claims Against and Equity Interests in Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd.)

Class	Claim or Equity Interest	Status	Voting Rights	Estimated Percentage Recovery
P1	Secured Claims	Unimpaired	Deemed to Accept	100% of Allowed Claim
P2	Priority Non-Tax Claims	Unimpaired	Deemed to Accept	100% of Allowed Claim
P3	SEC Claim	To be determined	To be Determined	To be Determined
P4	General Unsecured Claims	Impaired	Entitled to Vote	100% of Allowed Claim

Class	Claim or Equity Interest	Status	Voting Rights	Estimated Percentage Recovery
P5	Intercompany Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)	Reinstatement
P6	Individual Securities Damages Claim	Unimpaired	Not Entitled to Vote (Deemed to Accept)	100% of Allowed Claim (up to Individual Securities Damages Claim Reserve amount)
P7	Parent Equity Interests	Impaired	Entitled to Vote	Pro Rata share of Shareholder Distributable Assets, which is anticipated to be within a range of $___ to $___ per share

2. **Subsidiary Debtor Plans: Claims Against and Equity Interests in Subsidiary Debtors**

Class	Claim or Equity Interest	Status	Voting Rights	Estimated Percentage Recovery
1	Secured Claims	Unimpaired	Deemed to Accept	100%
2	Priority Non-Tax Claims	Unimpaired	Deemed to Accept	100% of Allowed Claim
3	General Unsecured Claims	Impaired	Entitled to Vote	100% of Allowed Claim

4	Intercompany Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)	Reinstatement
5	Intercompany Equity Interests	Unimpaired	Deemed to Accept	Reinstatement

B. **Administrative Claims**

1. **Administrative Expense Claims**

Except to the extent that (a) an Allowed Administrative Claim has been previously Paid in Full during the Chapter 11 Cases, (b) the Plan provides for other treatment of an Allowed Administrative Claim, or (c) the Holder of an Allowed Administrative Claim agrees to less favorable treatment, on or as soon as reasonably practicable after the later of (i) the Effective Date or (ii) the first Business Day after the date that is thirty (30) days after the date an Administrative Claim becomes an Allowed Claim, each Holder of an Allowed Administrative Claim shall be Paid in Full in Cash.

2. **Administrative Claims Bar Date**

The Holder of an Administrative Claim, other than: (a) a Fee Claim; (b) claims of Alvarez & Marsal North America, LLC for services performed and expenses incurred in accordance with its retention order entered in the Chapter 11 Cases [Docket No. 222]; (c) an Administrative Claim that has been Allowed on or before the Effective Date; (d) a claim for U.S. Trustee Fees, or (e) the Canada Revenue Agency or any other Canadian or provincial taxing authority for which a post-petition tax return must be filed, must submit to the Claims and Solicitation Agent a request for such Administrative Claim so as to be received by 5:00 p.m. (prevailing Eastern Time) on the date that is no more than thirty (30) days after service of the Notice of Effective Date. Such request must include at a minimum: (i) the name of the Debtor(s) that are purported to be liable for the Administrative Claim; (ii) the name of the Holder of the Administrative Claim; (iii) the amount of the Administrative Claim; (iv) the basis of the Administrative Claim; and (v) all supporting documentation for the Administrative Claim.

The Canada Revenue Agency or any other Canadian or provincial taxing authority for which a post-petition tax return must be filed must submit to the Claims and Solicitation Agent or the Monitor a request for such Administrative Claim so as to be received by 5:00 p.m. (prevailing Eastern Time) on the date that is no more than ninety (90) days after the applicable post-petition tax return has been filed.

FAILURE TO FILE AND SERVE SUCH REQUEST TIMELY AND PROPERLY SHALL RESULT IN THE ADMINISTRATIVE CLAIM BEING FOREVER BARRED AND UNABLE TO COLLECT FROM THE ASSETS OF THE DEBTORS.

3. **Fee Claims**

(a) Fee Claims Generally

All Fee Claims must be filed with the Bankruptcy Court and served on (i) the Liquidation Trustee and its counsel, (ii) the U.S. Trustee, (iii) U.S. counsel to the Debtors, (iv) counsel to the Creditors' Committee, (v) counsel to the Equity Committee, and (vi) the Fee Examiner, no later than the Fee Claims Bar Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court in the Chapter 11 Cases, including Docket Nos. 226 and 521, the Bankruptcy Court shall determine the Allowed amounts of such Fee Claims. For the avoidance of doubt, (i) any Canadian Fee Claims shall be paid in accordance with the Cross-Border Protocol and do not need to be filed with the Bankruptcy Court on or before the Fee Claims Bar Date and (ii) the fees of any U.S. Professional retained pursuant of an order of the Bankruptcy Court shall be paid in accordance with the orders of the Bankruptcy Court and do not need to be filed with the Canadian Court.

FAILURE TO PROPERLY FILE AND SERVE FINAL FEE APPLICATIONS BY THE FEE CLAIMS BAR DATE SHALL RESULT IN THE UNDERLYING FEE CLAIMS BEING FOREVER BARRED AND UNABLE TO COLLECT FROM THE DEBTORS' ESTATES.

(b) Objections to Fee Claims

Objections to Fee Claims, if any, must be filed and served on the party asserting the objectionable Fee Claim and each of the parties to be served with a Fee Claim under the Plan no later than twenty (20) days after the filing of the Fee Claim or such other date as may be established by the Bankruptcy Court. Additionally, the Fee Examiner shall review Fee Claims as set forth in the Fee Examiner Order.

(c) Payment of Fee Claims

Upon entry of an order by the Bankruptcy Court Allowing a Fee Claim, the Distribution Agent shall promptly pay the applicable U.S. Professional the Allowed Fee Claim from the Holdback Amount to the extent necessary to pay the Allowed Fee Claim in full *less* any amounts previously received by such U.S. Professional pursuant to the Interim Compensation Order. If the Holdback Amount for any given U.S. Professional is less than the Allowed Fee Claim, the Distribution Agent shall promptly pay the difference to the U.S. Professional from the net Sale Proceeds notwithstanding the insufficiency of the Holdback Amount. For the avoidance of doubt, (i) the Interim Compensation Order will govern the payment and allowance of any Fee Claim through the Effective Date and (ii) Canadian Fee Claims shall be paid by the Debtors in accordance with the Cross-Border Protocol and any procedures adopted by the Canadian Court.

(d) Success and Transaction Fee Applications

Applications for the allowance and payment of success and transaction fees, unless approved by the Bankruptcy Court prior to the Confirmation Date, must be filed with the Bankruptcy Court and served on (i) the Liquidation Trustee and its counsel, (ii) the U.S. Trustee, (iii) U.S. counsel to the Debtors, (iv) counsel to the Creditors' Committee, and (v) counsel to the

Equity Committee no later than forty-five (45) days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court in the Chapter 11 Cases, the Bankruptcy Court shall determine the Allowed amounts of such success and transaction fees, if any, which Allowed amounts the Distribution Agent shall promptly pay.

FAILURE TO FILE AND SERVE A TRANSACTION FEE APPLICATION IN A TIMELY MANNER SHALL RESULT IN THE UNDERLYING CLAIM BEING FOREVER BARRED AND THE HOLDER THEREOF UNABLE TO COLLECT FROM THE ASSETS OF THE DEBTORS.

Objections to requests for allowance and payment of success and transaction fees, if any, must be filed and served on the party asserting the objectionable success or transaction fee claim and each of the parties to be served with such success or transaction fee request under the Plan no later than twenty (20) days after the filing of the requests for allowance and payment of success and transaction fees or such other date as may be established by the Bankruptcy Court. Consistent with the terms of the Fee Examiner Order, the Fee Examiner shall not review success or transaction fee requests.

(e) U.S. Trustee Fees

All fees payable pursuant to 28 U.S.C. § 1930(a) shall be paid by the Distribution Agent on behalf of each Debtor for each quarter (including any fraction thereof) until such Debtor's Chapter 11 Case is converted, dismissed, or a Final Decree is issued, whichever occurs first.

(f) Canadian Fee Claims

All Canadian Fee Claims will be paid by the Debtors in consultation with the Monitor in accordance with and pursuant to the CCAA Approval Order and until the CCAA Approval Order Date, in the ordinary course in the CCAA Proceedings as such Canadian Fee Claims become due and payable.

4. **Priority Tax Claims**

To the extent not previously paid during the Chapter 11 Cases or the CCAA Proceedings, and except to the extent a Holder of an Allowed Priority Tax Claim agrees to less favorable treatment, a Holder of an Allowed Priority Tax Claim shall receive either (a) on or as soon as practicable after the later of (i) the Effective Date or (ii) the first Business Day after the date that is thirty (30) days after the date a Priority Tax Claim becomes an Allowed Claim, Cash in an amount equal to such Allowed Claim, or (b) deferred Cash payments following the Effective Date, over a period not exceeding five years from the Petition Date (provided, however, that, in accordance with the CCAA, Priority Tax Claims held by the CRA, the Canadian federal government or a Canadian provincial government shall instead be paid over the course of a period not to exceed six (6) months). Any Claim or demand for fines or penalties related to a Priority Tax Claim assessed after the Petition Date shall be disallowed and the Holder of an Allowed Priority Tax Claim shall not assess or attempt to collect any such fine or penalty.

5. <u>**CCAA Charge Claims**</u>

To the extent not previously paid during the Chapter 11 Cases or the CCAA Proceedings, a Holder of an Allowed CCAA Charge Claim shall be paid in Cash in an amount equal to such Allowed Claim in accordance with the CCAA Approval Order or as otherwise agreed between the applicable Debtor, with the consent of the Monitor and the Holder.

C. **Treatment of Classified Claims and Equity Interests in Parent Debtor**

1. <u>**Class P1 –Secured Claims**</u>

(a) <u>Treatment</u>: On or as soon as practicable after the Effective Date, each Holder of a Class P1 Allowed Secured Claim, if any, shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Secured Claim: (a) the return of the Collateral securing such Allowed Secured Claim; (b) Cash equal to 100% of the amount of such Allowed Secured Claim and Post-Petition Interest required to be paid under section 506(b) of the Bankruptcy Code; (c) such other treatment as will render the Holder of such Allowed Secured Claim Unimpaired; or (d) such other treatment as to which the Holder of such Allowed Secured Claim has agreed to in writing.

(b) <u>Voting</u>: Class P1 is Unimpaired under the Plan. The Holders of Class P1 Allowed Secured Claims are conclusively deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

2. <u>**Class P2 – Priority Non-Tax Claims**</u>

(a) <u>Treatment</u>: Unless the Holder agrees to a different treatment, on or as soon as practicable after the later of the Effective Date or the date a Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, each Holder of an Allowed Priority Non-Tax Claim shall receive Payment in Full in Cash with Post-Petition Interest, or such other treatment as will render the Allowed Priority Non-Tax Claim Unimpaired.

(b) <u>Voting</u>: Class P2 is Unimpaired under the Plan. The Holders of Class P2 Priority Non-Tax Claims are conclusively deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

3. <u>**Class P3 – SEC Claim**</u>

(a) <u>Treatment</u>: To be determined.

(b) <u>Voting</u>: To be determined.

4. **Class P4 – General Unsecured Claims**

(a) Treatment: To the extent not already Paid in Full or otherwise satisfied prior to the Effective Date, on or as soon as practicable after the later of (i) the Effective Date or (ii) the date a General Unsecured Claim becomes an Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive Payment in Full in Cash of the Allowed amount of its Claim. For the avoidance of doubt, in accordance with the Global Settlement, Holders of Allowed General Unsecured Claims shall not receive Post-Petition Interest on account of such Allowed General Unsecured Claims.

(b) Voting: Class P4 is Impaired under the Plan because the Global Settlement governs the treatment of General Unsecured Claims under the Plan. The Holders of Class 4 General Unsecured Claims are entitled to vote to accept or reject the Plan.

5. **Class P5 – Intercompany Claims**

(a) Treatment: On or after the Effective Date, each Intercompany Claim shall be Reinstated, subject to the rights of Holders of General Unsecured Claims in Class P4 under the Plan (including the Global Settlement) and the CCAA Approval Order, and any Cash or Assets of the U.S. Debtors that are required to be distributed pursuant to the Plan (including the Retained Causes of Action and Liquidation Trust Expense Reserve) shall be transferred by the U.S. Debtors to the Reorganized Parent Debtor in satisfaction of the same amount of such applicable Intercompany Claims, and Intercompany Claims shall receive such additional or different treatment as will be set forth in the Plan Supplement.

(b) Voting: Class P5 is Unimpaired under the Plan. Each Holder of a Class P5 Intercompany Claim is conclusively deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code, and is not entitled to vote to accept or reject the Plan.

6. **Class P6 –Individual Securities Damages Claim**

(a) Treatment: To the extent that the Individual Securities Damages Claim is Allowed by a Final Order, as soon as reasonably practicable thereafter, the Distribution Agent shall pay such Allowed Claim in Cash and solely from and up to the amount of the Individual Securities Damages Claim Reserve, subject to the rights of Holders of General Unsecured Claims to the prior Payment in Full of such Holders' Allowed Claims under the Plan (including the Global Settlement). For the avoidance of doubt, the Individual Securities Damages Claim shall not receive any distribution on account of any Allowed Individual Securities Damages Claim in excess of the Individual Securities Damages Claim Reserve, and such Claim shall not be treated as a Parent Equity Interest notwithstanding section 510(b) of the Bankruptcy Code and the CCAA.

(b) Voting: Class P6 is Unimpaired under the Plan. The Holder of the Class P6 Individual Securities Damages Claim is conclusively deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code, and is not entitled to vote to accept or reject the Plan.

7. **Class P7 – Parent Equity Interests**

Treatment: Holders of Parent Equity Interests will receive their Pro Rata share of the Shareholder Distributable Assets under, and subject to, the Plan (including the Global Settlement) and the CCAA Approval Order. The Plan allows Holders of Parent Equity Interests to elect to receive certain of such Plan consideration in the form of either Beneficial Trust Interests (and a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with the Plan) in exchange for their Parent Equity Interests, or to retain their Parent Equity Interests. Holders of Beneficial Trust Interests and Holders of Parent Equity Interests will receive distributions of equal amounts of Cash under the Plan per Parent Equity Interests on a Pro-Rata basis (other than differences attributable to the differing tax treatment of the Liquidation Trust and the Reorganized Parent Debtor that may consequently result in more or less favorable recoveries to Holders of Parent Equity Interests after consideration of the potentially differing rates and basis of taxation of the individual Holders). Article V.B.3 of the Plan further describes the distributions that will be made to Holders of Parent Equity Interests and Beneficial Trust Interests.

(a) Parent Equity Interest Election. As noted, each Shareholder has the option of receiving its Plan consideration through the following two options, which will result in different tax implications for such Holder:

Option 1: Beneficial Holders of Allowed Parent Equity Interests may elect to have their Parent Equity Interests mandatorily purchased and cancelled in exchange for their Pro Rata share of Beneficial Trust Interests (and a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with the Plan) ("Option 1").

To elect Option 1, beneficial Holders of Allowed Parent Equity Interests must submit a Liquidation Trust Certification Form on or before the Liquidation Trust Certification Bar Date using the instructions set forth therein. The Debtors shall cause the Liquidation Trust Certification Form to be mailed to Holders of Allowed Parent Equity Interests through the Holders of record at the same time as votes on the Plan are solicited from Holders of Parent Equity Interests, as set forth in the Disclosure Statement Order. Subject to the terms of the Plan and at the time prescribed by the Plan, the Holders of Allowed Parent Equity Interests who elect Option 1 shall have their Parent Equity Interests mandatorily purchased and cancelled in exchange for (i) a deemed distribution of the Liquidation Trust Assets attributable to them, (ii) a deemed distribution of their Pro Rata share of the Liquidation Trust Expense Reserve (followed immediately by a deemed contribution of such Pro Rata share to the Liquidation Trust) in accordance with the Plan, and (iii) a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with the Plan. The Holders of Parent Equity Interests electing to receive Beneficial Trust Interests as set forth in the Plan shall be deemed to immediately contribute their share of Liquidation Trust Assets to the Liquidation Trust.

Beneficial Holders of Allowed Parent Equity Interests may elect Option 1 or Option 2 only for all of their Allowed Parent Equity Interests. All beneficial Holders of Allowed Parent Equity Interests who fail to timely submit the Liquidation Trust Certification Form, who fail to properly make an election on the Liquidation Trust Certification Form, who make an election with respect to less than all of their Parent Equity Interests or who fail to take any action under the Plan shall be deemed to have elected Option 2 under the Plan.

Option 2: All Holders of Allowed Parent Equity Interests who do not elect Option 1 by the Liquidation Trust Certification Bar Date or who are deemed to have elected Option 2 shall retain their Allowed Parent Equity Interests through the Final Distribution Date ("Option 2"). On or after the Final Distribution Date, the Reorganized Parent Debtor shall be dissolved and all remaining Allowed Parent Equity Interests shall be cancelled. If any Holder of Allowed Parent Equity Interests elects Option 1 and the Liquidation Trust is subject to adverse tax consequences in Canada as a result of such Holder holding Beneficial Trust Interests, any transfer to such Holder and the cancellation of such Holder's Parent Equity Interests shall be void ab initio and Reorganized Parent, the Holder and the Liquidation Trust shall treat such Holder at all times as if such Holder had elected Option 2 (the "Disallowed Election").

(b) Voting: Class P7 is Impaired under the Plan. The Holders of Class P7 Allowed Parent Equity Interests are entitled to vote to accept or reject the Plan.

D. **Treatment of Classified Claims and Equity Interests in Subsidiary Debtors**

1. **Class 1 –Secured Claims**

(a) Treatment: On or as soon as practicable after the Effective Date, each Holder of a Class 1 Allowed Secured Claim, if any, shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Secured Claim: (a) the return of the Collateral securing such Allowed Secured Claim; (b) Cash equal to 100% of the amount of such Allowed Secured Claim and Post-Petition Interest required to be paid under section 506(b) of the Bankruptcy Code; (c) such other treatment as will render the Holder of such Allowed Secured Claim Unimpaired; or (d) such other treatment as to which the Holder of such Allowed Secured Claim has agreed to in writing.

(b) Voting: Class 1 is Unimpaired under the Plan. The Holders of Class 1 Allowed Secured Claims are conclusively deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

2. **Class 2 – Priority Non-Tax Claims**

(a) Treatment: Unless the Holder agrees to a different treatment, on or as soon as practicable after the later of the Effective Date or the date a Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, each Holder of an Allowed Priority Non-Tax Claim shall receive Payment in Full in Cash with Post-Petition Interest, or such other treatment as will render the Allowed Priority Non-Tax Claim Unimpaired.

(b) Voting: Class 2 is Unimpaired under the Plan. The Holders of Class 2 Priority Non-Tax Claims are conclusively deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Plan.

3. **Class 3 – General Unsecured Claims**

(a) Treatment: To the extent not already Paid in Full or otherwise satisfied prior to the Effective Date, on or as soon as practicable after the later of (i) the Effective Date or (ii) the date a General Unsecured Claim becomes an Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive Payment in Full in Cash of the Allowed amount of its Claim. For the avoidance of doubt, Holders of Allowed General Unsecured Claims shall not receive Post-Petition Interest on account of such Allowed General Unsecured Claims.

(b) Voting: Class 3 is Impaired under the Plan because the Global Settlement governs the treatment of General Unsecured Claims under the Plan. The Holders of Class 3 General Unsecured Claims are entitled to vote to accept or reject the Plan.

4. **Class 4 – Intercompany Claims**

(a) Treatment: On or after the Effective Date, each Intercompany Claim shall be Reinstated, subject to the rights of Holders of General Unsecured Claims in Class 3 under the Plan (including the Global Settlement) and the CCAA Approval Order, and any Cash or Assets of the U.S. Debtors that are required to be distributed pursuant to the Plan (including the Retained Causes of Action and Liquidation Trust Expense Reserve) shall be transferred by the U.S. Debtors to the Reorganized Parent Debtor in satisfaction of the same amount of such applicable Intercompany Claims, and any other Intercompany Claims shall receive such additional or different treatment as will be set forth in the Plan Supplement.

(b) Voting: Class 4 is Unimpaired under the Plan. Each Holder of an Intercompany Claim is therefore conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, each Holder of an Intercompany Claim is not entitled to vote to accept or reject the Plan.

5. **Class 5 – Intercompany Equity Interests**

(a) Treatment: On the Effective Date, the Holders of Class 5 Intercompany Equity Interests in each Subsidiary Debtor shall receive such treatment as set forth in the Plan Supplement, subject to the rights of Holders of General Unsecured Claims in Class 3 under the Plan (including the Global Settlement) and the CCAA Approval Order.

(b) Voting: Class 5 is Unimpaired under the Plan. Each Holder of an Intercompany Equity Interest is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, each Holder of an Intercompany Equity Interest is not entitled to vote to accept or reject the Plan.

E. RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order, CCAA Approval Order and the occurrence of the Effective Date, the Canadian Court shall retain the broadest jurisdiction over the CCAA Proceedings and the Bankruptcy Court shall retain the broadest jurisdiction over the Chapter 11 Cases after the Effective Date as legally permissible for among other things, the purposes set forth in Article XII of the Plan.

F. MISCELLANEOUS PROVISIONS

1. Corporate Action

Upon the Effective Date, all actions contemplated by the Plan shall be deemed authorized, approved, and, to the extent taken prior to the Effective Date, ratified without any requirement for further action by Holders of Claims or Equity Interests, directors, or officers of the Debtors or any other Person, as applicable, including: (a) the execution and delivery of all appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan, and that satisfy the requirements of any other terms on which the applicable parties may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms on which the applicable parties may agree; (c) rejection or assumption, as applicable, of Executory Contracts; (d) the filing of appropriate certificates or articles of amendment or organization, reincorporation, merger, amalgamation, consolidation, conversion or dissolution, and bylaws reflecting the corporate governance changes and dissolutions contemplated by the Plan or as are otherwise appropriate to effectuate the intent of the Plan; and (e) all other actions that the Monitor, Debtors, Chief Wind-Down Officer or Liquidation Trustee determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law. All matters provided for in the Plan involving the corporate structure of the Debtors, and any corporate action required by the Debtors in connection therewith, shall be deemed to have occurred on, and shall be in effect as of, the Effective Date, without any requirement of further action by the security Holders, directors, authorized persons or officers of the Debtors. The authorizations and approvals contemplated by the Plan shall be effective notwithstanding any requirements under non-bankruptcy law.

2. Dissolution of the Committees

On the Effective Date, the Creditors' Committee and the Equity Committee shall each dissolve and all members, employees or agents thereof shall be released and discharged from all rights and duties arising from or related to the Chapter 11 Cases, other than the right to prepare, file, prosecute and object to Fee Claims. The Debtors shall not be responsible for paying any fees or expenses incurred by the members of or advisors to either the Creditors' Committee or the Equity Committee after the Effective Date, except for work preparing, filing, prosecuting and objecting to Fee Claims that would have also been compensable prior to the Effective Date.

3. Section 1146(a) Exemption

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property under the Plan shall not be subject to any stamp tax or similar tax. Upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forego the collection of any such tax and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment.

4. Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, agent, representative, attorney, beneficiaries, or guardian, if any, of each Person, including those of the Debtors.

5. Term of Injunction or Stay

Unless otherwise provided in the Plan, the Confirmation Order, or a separate order from the Bankruptcy Court, all injunctions or stays arising under or entered during the Chapter 11 Cases in accordance with sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date shall remain in full force and effect until the later of (i) the entry of a final decree closing the last of the Chapter 11 Cases or (ii) the date indicated in such applicable order. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms. Any stay of proceedings as provided in the CCAA Proceedings similarly is expected to continue after the Effective Date as specifically provided for in the CCAA Approval Order.

6. Entire Agreement

Except as otherwise indicated, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan. To the extent the Confirmation Order or CCAA Approval Order are inconsistent with the Plan, the Confirmation Order and CCAA Approval Order, as applicable, shall control for all purposes.

7. Good Faith

Confirmation of the Plan shall constitute a finding that: (i) the Plan has been proposed in good faith and in compliance with applicable provisions of the Bankruptcy Code; and (ii) the solicitation of acceptances or rejections of the Plan by all Persons has been in good faith and in compliance with applicable provisions of the Bankruptcy Code.

8. Severability

If prior to the entry of the Confirmation Order, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Debtors, after consultation with the Creditors' Committee, Equity Committee and the Monitor shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is (a) valid and enforceable pursuant to its terms; (b) integral to the Plan; and (c) non-severable and mutually dependent.

X. IMPLEMENTATION OF THE PLAN

A. Plan Transactions

From and after the Effective Date, the Monitor, the Liquidation Trustee and/or the Reorganized Debtors, as applicable, may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan (the "Plan Transactions"), including: (1) the execution and delivery of any agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan, or any other terms to which the applicable Entities may agree; (2) the execution and delivery of instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan or having other terms for which the applicable parties agree; (3) the filing of certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution and bylaws reflecting the corporate governance changes and dissolutions contemplated by the Plan or as are otherwise appropriate to effectuate the intent of the Plan; (4) the execution and delivery of the applicable documents included in the Plan Supplement; and (5) all other actions that the applicable Persons determine to be necessary or appropriate. For the purposes of effectuating the Plan, none of the Plan Transactions contemplated in the Plan constitute a change of control under any agreement, contract or document of the Debtors.

B. Sources of Consideration for Plan Distributions

Distributions under the Plan will be funded and made as follows:

1. **Funding of the Reserves.**

On the Effective Date, the Distribution Agent, on behalf of the Debtors, shall fund the Reserves in Cash from the Sale Proceeds or any other Cash then in the Estates in accordance with and in the amounts set forth in Article VI.C of the Plan to be held in the Reorganized Parent Debtor, except with respect to the Individual Securities Damages Reserve, which shall be held by the Monitor, until (1) the issuance of a Clearance Certificate (except in the case of the Holdback Amount Reserve, which does not require a Clearance Certificate to be paid to Professionals); (2) the decision of the Board of Directors of the Reorganized Parent Debtor to disburse such Reserves that are held by the Reorganized Parent Debtor rather than the Monitor; or (3) other arrangements are made in form satisfactory to the Monitor for Reserves held by the Monitor; provided, however, that at least $100,000 of the Liquidation Trust Expense Reserve shall be funded into the Liquidation Trust within sixty (60) days of 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. The Distribution Agent shall have the authority to make distributions from the Canadian Sale Proceeds Account and the U.S. Sale Proceeds Account or other Estate accounts, to transfer funds to or from the Canadian Sale Proceeds Account and the U.S. Sale Proceeds

Account, and to close either or both of the Canadian Sale Proceeds Account and U.S. Sale Proceeds Account in accordance with the Plan and the CCAA Approval Order and to facilitate making distributions hereunder; provided, however, that the Distribution Agent shall keep records of all disbursements from and deposits made into the Canadian Sale Proceeds Account and U.S. Sale Proceeds Account or such other Estate accounts and shall provide the Reorganized Parent Debtor, the Monitor and the Liquidation Trust with monthly reconciliations of such transactions; and provided further, however, that the Distribution Agent shall not close the Canadian Sale Proceeds Account or U.S. Sale Proceeds Account without thirty (30) calendar days' prior notice to the Reorganized Parent Debtor, the Monitor and the Liquidation Trustee.

2. **Distributions to Holders of Allowed Claims**

The Distribution Agent shall Pay in Full in Cash all Allowed Claims under the Plan from the Sale Proceeds, other than the Individual Securities Damages Claim to the extent such Claim is Allowed after receipt of the Comfort Letters. The Distribution Agent shall pay the Allowed Amount, if any, of the Individual Securities Damages Claim in Cash solely from the Individual Securities Damages Claim Reserve.

3. **Distributions to Holders of Allowed Parent Equity Interests**

(i) Shareholder Distributable Assets

Holders of Allowed Parent Equity Interests will receive net proceeds from, or interests in, the following Assets under the Plan: (a) the interests in the Retained Causes of Action described in Section V.B.3(b) of the Plan; (b) the Liquidation Trust Expense Reserve (if not fully utilized for Wind-Down Expenses); (c) any Sale Proceeds remaining after the other Reserves are funded, Holders of Allowed Claims are Paid in Full in Cash, and the Wind-Down Expenses are paid in full in Cash to the extent such expenses are paid from the Sale Proceeds; and (d) any other Assets, including investment income earned on any Cash Assets (items (a) through (d) collectively, the "Shareholder Distributable Assets").

(ii) Reorganized Parent Debtor and Liquidation Trust Assets

As soon as practicable after the Effective Date, the Shareholder Distributable Assets other than any Cash (but including the interests in the Retained Causes of Action) held by the Estates on the Effective Date shall vest in either the Reorganized Debtors or the Liquidation Trust. As soon as practicable after the Effective Date, proportionate interests in the Retained Causes of Action shall be vested in the Reorganized Debtors for the benefit of the Holders of Allowed Parent Equity Interests who have elected or are deemed to have elected Option 2 and in the Liquidation Trust for the benefit of those Holders of Allowed Parent Equity Interests who have elected Option 1 in proportion to the percentages of Allowed Parent Equity Interests held respectively by the Holders of such Parent Equity Interests who have elected Option 1 and Option 2, respectively, as of the Liquidation Trust Certification Bar Date (the "Asset Apportionment"). By way of illustration, if 40% of the Holders of Parent Equity Interests elect to receive Beneficial Trust Interests pursuant to Option 1 as of the Liquidation Trust Certification Bar Date, then 60% of the Shareholder Distributable Assets will vest in the Reorganized Debtors and 40% of the Shareholder Distributable Assets (other than Cash) will vest in the Liquidation

Trust, subject to paragraph 3(iii) below. Notwithstanding anything to the contrary in the Plan, the Reorganized Debtors and the Liquidation Trust will cooperate with each other as necessary so that the Shareholder Distributable Assets will be owned by them in a manner that they determine in good faith will maximize the value of such assets under applicable law for all Holders of Allowed Parent Equity Interests, as mutually determined by the Debtors and Equity Committee or, after the Effective Date, the Liquidation Trustee and the Reorganized Debtors. The Debtors and the Liquidation Trust, or the Debtors and the Equity Committee prior to the Effective Date, reserve the right to take any action, and implement any structure as necessary to own the Shareholder Distributable Assets in such manner and as to effect the intent of the Plan.

From and after the Effective Date, the Cash (including the Sale Proceeds but excluding any Cash realized in respect of the Retained Causes of Action) shall vest in the Reorganized Debtors and shall be used by the Distribution Agent on behalf of the Debtors to (i) fund the Reserves; (ii) adequately reserve for or pay in Cash the Wind-Down Expenses; and (iii) Pay in Full the Allowed Claims (including all Allowed Fee Claims and Allowed Canadian Fee Claims to the extent such Claims exceed the Holdback Amount reserved for such Claims) in accordance with the Plan and the CCAA Approval Order (collectively, the "Initial Cash Distributions"). After all such payments have been made or reserved for in full, as mutually determined by the Liquidation Trustee, the Monitor and the Reorganized Parent Debtor, and following receipt of a Clearance Certificate, the remaining Sale Proceeds shall constitute Shareholder Distributable Assets and the Distribution Agent, at the direction of the Liquidation Trustee and the Reorganized Parent Debtor, shall transfer (or allocate) in accordance with the Asset Apportionment such remaining Cash to an account of the Reorganized Debtors and, at the election of the Liquidation Trustee, an account of the Liquidation Trust to make interim and final distributions to Holders of Parent Equity Interests or, if elected, Beneficial Trust Interests, respectively, as provided in the Plan.

Beneficial Holders of Parent Equity Interests who elect Option 1 under the Plan shall be deemed to receive their Pro Rata share of the Liquidation Trust Assets (and a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with the Plan) in exchange for the mandatory purchase and cancellation of their Parent Equity Interests, which Liquidation Trust Assets will be deemed immediately contributed to the Liquidation Trust in exchange for Beneficial Trust Interests, and the Parent Equity Interests of Holders electing Option 1 shall be mandatorily purchased and cancelled under the Plan. The Liquidation Trustee will make distributions on account of the Beneficial Trust Interests to Holders of such Beneficial Trust Interests in accordance with the Plan and the Liquidation Trust Agreement.

Beneficial Holders of Parent Equity Interests who elect Option 2 under the Plan or who are deemed to elect Option 2 under the Plan shall retain their Parent Equity Interests under the Plan up to and through the Final Distribution Date. The Distribution Agent will make distributions to Holders of Parent Equity Interests in accordance with the Plan and the CCAA Approval Order.

(iii) Pre-Dissolution Reconciliation

Notwithstanding anything in the Plan to the contrary, on or before the Final Distribution Date, the Liquidation Trustee and the Reorganized Parent Debtor shall take any reasonably necessary actions to ensure that the beneficial Holders of Parent Equity Interests shall receive the same Pro Rata distributions of Cash from either the Reorganized Parent Debtor or Liquidation Trust pursuant to the Plan regardless of whether such Holders have elected Option 1 or Option 2 under the Plan (other than potential differences attributable to the differing tax treatment of the Liquidation Trust and Reorganized Parent Debtor under U.S. and Canadian tax laws or the individual tax circumstances of Holders of Parent Equity Interests or Beneficial Trust Interests). Such actions may include (i) a Cash transfer from the Liquidation Trust to the Reorganized Parent Debtor, (ii) a Cash transfer from the Reorganized Parent Debtor to the Liquidation Trust, or (iii) a direct payment by the Distribution Agent or the Liquidation Trustee, as applicable, to Holders of Allowed Parent Equity Interests or Beneficial Trust Interests in an amount necessary to effect such treatment; provided, however, such actions shall not consider or otherwise compensate for the time-value of money, interim fluctuations in currency value, or certain tax liabilities of the Debtors as may be set forth in the Plan Supplement.

4. **Payment of Wind-Down Expenses**

On or before the Effective Date, the Debtors, and after the Effective Date, the Reorganized Parent Debtor or the Liquidation Trust as the case may be, shall pay in Cash: (i) any fees, costs and expenses of the Liquidation Trust in accordance with the Liquidation Trust Agreement (including fees, costs and expenses related to the Retained Causes of Action incurred prior to the date the Liquidation Trust Expense Reserve is funded); (ii) any fees, costs and expenses of the Monitor; (iii) any fees, costs and expenses of the Distribution Agent; (iv) any fees, costs and expenses of the Estates incurred in connection with implementing the Plan and the CCAA Approval Order or winding down the Subsidiary Debtors, including payment of statutory fees and any taxes required to be paid in connection with dissolving the Debtors, including any fees, costs and expenses of the Subsidiary Debtors' Boards of Directors; and (v) any fees, costs and expenses of the Reorganized Parent Debtor, including any fees, costs and expenses of its Board of Directors (items (i) through (v) collectively, the "Wind-Down Expenses").

The Wind-Down Expenses shall be paid from the Sales Proceeds, the Holdback Amount Reserve and any other Cash in the Estates on the Effective Date to the extent paid or incurred on or before the Effective Date and from the Liquidation Trust Expense Reserve or amounts recovered in respect to the Retained Causes of Action if incurred after the Effective Date. In addition, to the extent any funds are recovered in respect of any Retained Causes of Action, such funds shall be applied first to pay any fees, costs, or expenses incurred in connection with the prosecution of such Retained Causes of Action (to the extent not previously paid out of the Liquidation Trust Expense Reserve as Wind-Down Expenses or otherwise) or otherwise incurred by the Liquidation Trust, the Reorganized Parent Debtor or the other Debtors and shall thereafter be deposited into the Liquidation Trust Expense Reserve to the extent necessary to bring the balance on deposit therein (after payment of all then outstanding fees and expenses) to its original amount (as set forth in the Plan Supplement), or such other amount as determined by the Liquidation Trustee necessary to pay reasonable fees and expenses then incurred or anticipated to be incurred for Wind-Down Expenses. For the avoidance of doubt, the initial amount of the Liquidation Trust Expense Reserve shall not be deemed to constitute a "cap" on fees and expenses incurred by the Liquidation Trust with respect to the Retained Causes of Action, the Chief Wind-Down Officer, or the Wind-Down Expenses with respect to required activity.

To the extent any funds recovered in respect of any Retained Causes of Action remain after payment of fees, costs, or expenses and deposit in the Liquidation Trust Expense Reserve as described in the immediately preceding paragraph (the "Cause of Action Net Proceeds"), then such Cause of Action Net Proceeds shall constitute Shareholder Distributable Assets and shall be apportioned between the Liquidation Trust and the Reorganized Parent Debtor for distribution to Holders of Allowed Parent Equity Interests or Beneficial Trust Interests, respectively, in accordance with the Asset Apportionment.

On or before the Effective Date but after the Confirmation Hearing and Canadian Approval Hearing, the Reorganized Parent Debtor and Liquidation Trust will enter into a cost sharing agreement (the "Cost Sharing Agreement") in form and substance acceptable to the Debtors, Monitor and the Committees, pursuant to which the Reorganized Parent Debtor and the Liquidation Trust will each agree to pay for its share of the Wind-Down Expenses from the Shareholder Distributable Assets (including the Sale Proceeds) or the Liquidation Trust Expense Reserve, as applicable. The Cost Sharing Agreement will allocate the Wind-Down Expenses in accordance with the Asset Apportionment. A form of Cost Sharing Agreement will be included in the Plan Supplement.

C. Corporate Existence; Vesting of Assets

After the Effective Date, the Reorganized Parent Debtor shall continue to exist under applicable corporate law for the sole purposes of (i) prosecuting the Retained Causes of Action, (ii) making distributions from time to time to Holders of Allowed Parent Equity Interests who elect Option 2, and (iii) making any other distributions of Shareholder Distributable Assets until the Final Distribution Date, after which time the Reorganized Parent Debtor shall be dissolved.

After the Effective Date, the Chief Wind-Down Officer shall dissolve the Subsidiary Debtors, unless the Subsidiary Debtors must continue to exist under applicable corporate law for the sole purposes of liquidating the Retained Causes of Action or making distributions in accordance with the Plan or for tax purposes. Prior to such dissolution, all Assets of the Subsidiary Debtors after Payment in Full of General Unsecured Claims, Intercompany Claims as applicable, and the Wind-Down Costs of such Subsidiary Debtors shall vest in the Reorganized Parent Debtor.

Each Debtor or the Chief Wind-Down Officer is authorized and empowered to merge or amalgamate with any of the other Debtors and is authorized and empowered to effect each such merger or amalgamation and to take and cause to be taken such actions in order to carry out such mergers or amalgamations, in each case, on such terms and conditions as it may deem necessary or desirable. Subject to applicable laws, the foregoing dissolution and merger actions are authorized without the requirement to file any annual reports or pay related fees thereon, and without any requirement of further action by the stockholders, shareholders, directors or any other officer of the Debtors.

D. Corporate Governance

The existing officers and directors of each Debtor shall be deemed to have resigned on the Effective Date.

The Equity Committee will select the Board of Directors for the Reorganized Parent Debtor which shall consist of three (3) duly qualified directors. The Board of Directors selected by the Equity Committee will be identified in the Plan Supplement. The Reorganized Parent Debtor's Board of Directors shall appoint the Board of Directors for the Subsidiary Debtors pending their dissolution, which Board of Directors may, but is not required to, consist of the same Director(s) that serve on the Reorganized Parent Debtor's Board of Directors, subject to compliance with applicable laws. The Board of Directors will be appointed to serve through the liquidation and dissolution of the Reorganized Debtors, and the CCAA Approval Order will provide that the Reorganized Parent Debtor shall not otherwise be required to comply with applicable law regarding the formation or composition of the Board of Directors.

The initial Chief Wind-Down Officer shall be selected by the Equity Committee with the consent of the Debtors, Monitor and Creditors' Committee (not to be unreasonably withheld) and will be identified in the Plan Supplement and shall be appointed by the Reorganized Parent Debtor's Board of Directors. The Chief Wind-Down Officer may but is not required to be the same person for each of the Debtors. Following the Effective Date, the Reorganized Parent Debtor's Board of Directors shall have the right to replace or terminate the Chief Wind-Down Officer without need for further approval by the Bankruptcy Court or Canadian Court and thereafter, such successor Chief Wind-Down Officer shall fulfill the role of Chief Wind-Down Officer under the Plan.

The Debtors intend to seek relief from the Canadian Court in the CCAA Approval Order providing for, among other things, that the Reorganized Parent Debtor shall not be required to comply with the reporting or disclosure requirements or obligations under Canadian Securities Laws, nor shall the Reorganized Parent Debtor be required to comply with applicable corporate laws under the British Columbia *Business Corporations Act*. As a result of, among other things, the delayed filing of its Annual Report, including its annual audited financial statements for the fiscal year ended May 31, 2016 and the related management's discussion and analysis, the Parent Debtor is in default of the filing requirements under applicable Canadian Securities Laws. It is not expected that the Reorganized Parent Debtor or the Liquidation Trust will be in a position to comply with applicable Canadian Securities Laws following the Effective Date regardless of whether the requested relief is granted by the Canadian Court in the CCAA Approval Order. Notwithstanding the foregoing, it may be necessary for the Parent Debtor and/or the Liquidation Trust to seek exemptive relief from the Canadian Securities Regulators in order to give effect to the Plan and the transactions contemplated thereby. See "Risk Factors".

E. The Liquidation Trust

1. <u>Creation and Funding of the Liquidation Trust; Vesting of Assets</u>

On or before the Effective Date but after the Confirmation Hearing and Canadian Approval Hearing, the Bankruptcy Court and the Canadian Courts shall have approved the formation of the Liquidation Trust pursuant to the Liquidation Trust Agreement and the provisions of the Plan. The Liquidation Trust shall be formed under U.S. law and shall be managed from the U.S. The Liquidation Trustee shall administer the Liquidation Trust, and shall have the powers and duties set forth in the Liquidation Trust Agreement. The Liquidation Trustee shall be designated in the Plan Supplement by the Equity Committee, with the consent of the Creditors' Committee, Monitor and the Debtors, which consent shall not be unreasonably withheld.

Through the Plan, the Shareholder Distributable Assets allocated to the Liquidation Trust (including a proportionate interest in the Retained Causes of Action) for the benefit of Holders of Allowed Parent Equity Interests who elect Option 1 shall vest in the Liquidation Trust as assets of the Liquidation Trust (which, for greater certainty, does not include any Cash (including the Sale Proceeds held by the Debtors as of the Effective Date)) (such assets, the "Liquidation Trust Assets") as a deemed distribution to the Holders of Allowed Parent Equity Interests who elect Option 1 followed immediately by a deemed contribution to the Liquidation Trust from such Holders of their share of Liquidation Trust Assets. It is anticipated that the Liquidation Trust Assets shall consist of (i) the proportionate interest in the Retained Causes of Action allocable to the Holders of Allowed Parent Equity Interests that elected Option 1, and (ii) a comparable portion of the Liquidation Trust Expense Reserve; it is anticipated that no other Cash shall be transferred (or deemed transferred) to the Liquidation Trust for the Holders of Allowed Parent Equity Interests that elected Option 1.

The Plan shall be considered a motion pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, and the Confirmation Order shall be considered an order granting such relief. The transfer of the Liquidation Trust Assets to the Liquidation Trust shall be made for the benefit of and on behalf of the Liquidation Trust Beneficiaries. For all U.S. federal income tax purposes, the transfer of the Liquidation Trust Assets to the Liquidation Trust shall be treated as (1) a transfer of the Liquidation Trust Assets directly to the Liquidation Trust Beneficiaries, followed by (2) the transfer of such Liquidation Trust Assets by the Liquidation Trust Beneficiaries to the Liquidation Trust in exchange for the Liquidation Trust Beneficial Interests. The Liquidation Trust Beneficiaries shall be treated as the grantors and owners of the Liquidation Trust (other than the Liquidation Trust Assets as are allocable to the Reserves).

As soon as reasonably practicable after the Effective Date, (i) the Liquidation Trustee shall make a good faith valuation of the Liquidation Trust Assets, and (ii) the Liquidation Trustee shall establish appropriate means to apprise the Liquidation Trust Beneficiaries of such valuation. The valuation shall be used consistently by all parties (including the Debtors, the Liquidation Trustee and the Liquidation Trust Beneficiaries) for all U.S. federal and other income tax purposes. The Liquidation Trustee also shall file (or cause to be filed) any other statements, returns, or disclosures relating to the Liquidation Trust that are required by any Governmental Unit.

2. **Rights and Powers of the Liquidation Trustee**

The Liquidation Trustee shall have all the rights and powers set forth in the Plan (including, but not limited to, those conferred upon him as the Litigation Representative pursuant to Article V.E.12 of the Plan) and the Liquidation Trust Agreement to act on behalf of the Liquidation Trust, including the right to (a) effect all actions and execute all agreements, instruments and other documents, and exercise all rights and Privileges (as defined below) previously held by the Debtors, necessary or convenient to implement the provisions of the Plan and the Liquidation Trust Agreement, (b) subject to the Liquidation Trust Agreement and the Plan, prosecute, settle, abandon or compromise the Retained Causes of Action on behalf of the

Liquidation Trust and the Debtors, (c) authorize distributions as contemplated by and in accordance with the Plan, and (d) make disbursements from the Liquidation Trust Expense Reserve (or, prior to the funding of the Liquidation Trust Expense Reserve, from Cash held by the Reorganized Parent Debtor) on behalf of the Liquidation Trust and the Reorganized Parent Debtor.

Pursuant to Article V.E.12 of the Plan, the Liquidation Trustee, in its capacity as Litigation Representative, for the benefit of and on behalf of the Liquidation Trust and the Debtors, without further order of the Bankruptcy Court or the Canadian Court but subject to the Liquidation Trust Agreement and the Plan, shall have full power and authority to (i) investigate, prosecute, abandon, settle, liquidate, or otherwise resolve the Retained Causes of Action, (ii) retain counsel and other professionals in connection with investigating, prosecuting, abandoning, settling, liquidating, or otherwise resolving the Retained Causes of Action, under such arrangements regarding compensation and other terms as the Liquidation Trustee may deem reasonable and appropriate, and (iii) to the extent consistent with the provisions of U.S. tax laws applicable to liquidating trusts, enter into third-party arrangements for the funding of the foregoing activities of the Litigation Representative in respect of the Retained Causes of Action, which arrangements may include granting interests in the Retained Causes of Action or the proceeds thereof; provided, however, that any such third-party arrangements shall be non-recourse except as to any proceeds received in respect of the Retained Causes of Action subject to such third-party arrangements. Funds in the Liquidation Trust Expense Reserve (whether held by the Reorganized Parent Debtor or the Liquidation Trust) may be used to pay the fees, costs, and expenses (including attorney's fees and other professional fees) that the Liquidation Trust may incur in connection with the implementation of the Plan, including, but not limited to, the fees and expenses related to investigating, prosecuting, abandoning, settling, liquidating, or otherwise resolving the Retained Causes of Action.

3. **Retention of Professionals**

In its capacity as Litigation Representative on behalf of the Debtors and the Liquidation Trust pursuant to Article V.E.12 of the Plan, the Liquidation Trustee may retain counsel and other professionals on behalf of the Liquidation Trust to assist the Liquidation Trust in exercising its rights and powers under the Liquidation Trust Agreement and implementing the Plan. Funds in the Liquidation Trust Expense Reserve (whether held by the Reorganized Parent Debtor or the Liquidation Trust) and, to the extent necessary, the Cause of Action Net Proceeds may be used by the Liquidation Trustee to pay the fees, costs, and expenses that the Liquidation Trust may incur in connection with the implementation of the Plan.

4. **Post-Effective Date Fees and Expenses of Liquidation Trust and the Debtors**

The Wind-Down Expenses of the Liquidation Trust and the Debtors, including for the Chief Wind-Down Officer and the Monitor, incurred on or after the Effective Date shall be paid by the Liquidation Trustee or the Reorganized Parent Debtor out of the Liquidation Trust Expense Reserve without further order of the Bankruptcy Court or Canadian Court. Following the Effective Date, any requirement that a U.S. Professional comply with sections 327 through

331 of the Bankruptcy Code when seeking compensation for services rendered to any of the Debtors, their Estates or the Liquidation Trust shall terminate.

5. **Liquidation Trust Advisory Board**

The Liquidation Trust Advisory Board shall consist of three (3) Persons. Each member of the Liquidation Trust Advisory Board shall be designated by the Equity Committee with the consent of the Monitor and the Debtors, which consent is not to be unreasonably withheld, and after consultation with the Creditors' Committee. The initial members of the Liquidation Trust Advisory Board shall be identified in the Plan Supplement.

6. **Liquidation Trust Transfer Taxes**

Any transfer of the Liquidation Trust Assets to the Liquidation Trust shall be exempt from any stamp tax or similar tax, in accordance with section 1146(a) of the Bankruptcy Code.

7. **Federal Income Tax Treatment of the Liquidation Trust**

The Liquidation Trust shall be established for the sole purpose of distributing the Liquidation Trust Assets, and proceeds therefrom, in accordance with Treasury Regulation section 301.7701-4(d) and Revenue Procedure 94-45, with no objective to continue or engage in the conduct of a trade or business, and are intended to qualify as a liquidating trust for U.S. federal income tax purposes. In general, a liquidating trust such as the Liquidation Trust is not a separate taxable entity for U.S. federal income tax purposes, but is instead treated as a grantor trust, i.e., pass-through entity. All parties must treat the transfer of the portion of the Liquidation Trust Assets attributable to the Liquidation Trust Beneficiaries as a transfer of such assets directly to the Liquidation Trust Beneficiaries. Consistent therewith, all parties must treat the Liquidation Trust as a grantor trust of which the Liquidation Trust Beneficiaries are the owners and grantors. Subject to the terms of the Liquidation Trust Agreement, the value of a Liquidation Trust Beneficiary's Allowed Parent Equity Interest (less any Cash distribution received from the Reorganized Parent Debtor) shall be the value of such Liquidation Trust Beneficiary's Liquidation Trust Beneficial Interest, and the Liquidation Trust Beneficiaries and the Liquidation Trust must consistently use this valuation for all U.S. and other federal income tax purposes, including for determining gain, loss or tax basis.

If any Holder of Allowed Parent Equity Interests elects Option 1 and the Liquidation Trust is subject to adverse tax consequences in Canada as a result of such Holder holding Beneficial Trust Interests, any transfer to such Holder and the cancellation of such Holder's Parent Equity Interests shall be *void ab initio* and the Reorganized Parent Debtor, the Holder and the Liquidation Trust shall each treat such Holder at all times as if such Holder had elected Option 2.

8. **Dissolution of the Liquidation Trust**

The Liquidation Trust shall be dissolved no later than five (5) years from the Effective Date, unless the Bankruptcy Court, upon motion made prior to such fifth (5th) anniversary without the need for a favorable letter ruling from the IRS that any further extension would not adversely affect the status of either as a Liquidation Trust for federal income tax purposes, determines that a fixed period extension, not to exceed five (5) years, is necessary to facilitate or complete the recovery on and liquidation of the Liquidation Trust Assets. Upon the filing of any motion for an extension of the date of dissolution, such date shall be deemed automatically extended until an order of the Bankruptcy Court is entered with respect to such motion or the motion is withdrawn.

9. **Liquidation Trust Securities Law Matters**

To the extent the Liquidation Trust Beneficial Interests are deemed to be "securities," the issuance of such interests under the Plan, are exempt, pursuant to section 1145 of the Bankruptcy Code, from registration under the Securities Act of 1933, as amended, and any applicable U.S. federal, state and local laws requiring registration of securities. Notwithstanding the foregoing, this may give rise to certain reporting and disclosure requirements and obligations in accordance with applicable securities laws in each of the 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 the Canadian Securities Regulators (collectively, the "Canadian Securities Laws") notwithstanding receipt of the CCAA Approval Order. The Canadian Securities Regulators may determine that exemptive relief from applicable Canadian Securities Laws is required and there can be no assurance that the appropriate exemptive relief will be granted in a timely manner or at all. *See Risk Factor "Q. The Liquidation Trust Beneficial Interests May Not Be Exempt*".

10. **Ability to Seek and Obtain Discovery under Bankruptcy Rule 2004**

From and after the Effective Date, in connection with the Retained Causes of Action: (i) the Liquidation Trustee, in its capacity as the Litigation Representative for the Debtors and the Liquidation Trust, shall have the ability to seek and obtain examinations (including document discovery and depositions) under Bankruptcy Rule 2004 (and equivalent Canadian legislation) against any Person or Entity, and (ii) the Bankruptcy Court (and Canadian Court) shall retain jurisdiction to order examinations (including examinations under Bankruptcy Rule 2004) against any Person or Entity, and to hear all matters with respect to the same.

11. **Preservation of Privileges and Books and Records of the Estates and Debtors**

On the Effective Date, the Debtors shall be deemed to have transferred and assigned all of their respective rights, titles, and interests in any privilege or immunity of the Debtors' Estates, including the attorney-client privilege and any privileges in respect of any Retained Causes of Action (collectively, the "Privileges"), to the Liquidation Trust and the Reorganized Debtors, and all such Privileges shall automatically vest in the Liquidation Trust and the Reorganized Debtors, jointly, as of the Effective Date; provided, however, that the Liquidation Trustee, in its capacity as the Litigation Representative for the Debtors and the Liquidation Trust, shall be vested with the sole power and authority to waive or assert such Privileges for the joint benefit of the Debtors and the Liquidation Trust. In addition, on the Effective Date, the Debtors shall be deemed to have transferred and assigned all of their rights and obligations with respect to their books and records and access thereto, including any rights and obligations under the Sale Orders, to the Liquidation Trust and the Debtors, and all such rights and obligations shall automatically vest in the Liquidation Trust and the Debtors as of the Effective Date. Pursuant to the Plan, the Debtors' Professionals agree that, prior to and after the Effective Date, they shall provide reasonable assistance and cooperation to the Debtors, the Liquidation Trust, and the Reorganized Parent Debtor, as applicable, and each of their respective professionals, in connection with the investigation and prosecution of the Retained Causes of Action, including by (i) delivering any books and records of the Debtors or other materials (including any documents or materials that may be subject to any Privileges) that may be relevant to the Retained Causes of Action and that are in the respective possession, custody, or control of any such Debtor Professionals, and (ii) responding to any reasonable inquiries made by the Debtors, the Liquidation Trust, or the Reorganized Parent Debtor, as applicable, or any of their respective professionals, in respect of the investigation and prosecution of the Retained Causes of Action; provided, however, that the reasonable assistance and cooperation of the Debtors' Professionals as set forth herein shall be subject in all respects to any applicable ethical rules or obligations of such Debtor Professionals, and shall be compensable as a Wind-Down Expense of the Liquidation Trust.

12. **Appointment of Liquidation Trustee by Canadian Court and Bankruptcy Court as Representative of the Debtors and Liquidation Trust in Respect of the Retained Causes of Action**

On or before the Effective Date, the Canadian Court and the Bankruptcy Court shall have entered orders (which, in the case of the Bankruptcy Court shall be the Confirmation Order and, in the case of the Canadian Court, shall be the CCAA Approval Order) appointing the Liquidation Trustee as the Litigation Representative of the Debtors and the Liquidation Trust and otherwise vesting the Liquidation Trustee with sole responsibility, power and authority (subject only to the terms of the Plan and the review and approval of the Liquidation Trust Advisory Board as required by the Liquidation Trust Agreement, and the Board of Directors of the Reorganized Parent Debtor to the extent required under its amended and restated organizational documents) for investigating, prosecuting, settling and liquidating the Retained Causes of Action, jointly on behalf of the Debtors and the Liquidation Trust. In his capacity as Litigation Representative, the Liquidation Trustee shall have the exclusive power and authority (subject only to the review and approval of the Liquidation Trust Advisory Board as provided in the Liquidation Trust Agreement, and the Board of Directors of the Reorganized Parent Debtor to the extent required under its amended and restated organizational documents) to (i) assert or waive any applicable Privileges, (ii) seek discovery pursuant to Bankruptcy Rule 2004, (iii) investigate Retained Causes of Action, (iv) assert the Debtors' rights in respect to their books and records, (iv) elect whether to prosecute, settle or otherwise liquidate such Retained Causes of Action, and (v) to use funds in the Liquidation Trust Expense Reserve, whether held by the Reorganized Parent Debtor or Liquidation Trust, to pay professional fees and other Wind-Down Expenses incurred by the Liquidation Trust and/or the Reorganized Parent Debtor, in each case without further approval of the Bankruptcy Court or the Canadian Court or the Reorganized Parent Debtor, but for the joint benefit of the Holders of Equity Interests in the Reorganized Parent Debtor and Beneficial Trust Interests in the Liquidation Trust.

13. **Savings of Retained Causes of Action**

If the vesting of interests in Retained Causes of Action with the Liquidation Trust shall compromise the ability to prosecute or recover from any Retained Causes of Action, then notwithstanding anything else contained in the Plan, an interest in such Retained Causes of Action shall not be deemed to have vested in the Liquidation Trust, but rather shall be deemed solely vested with or otherwise retained by the Reorganized Parent Debtor or other applicable Debtor. In such situation, (i) the Liquidation Trustee shall continue to serve as the Litigation Representative on behalf of the Reorganized Parent Debtor with full power and authority respecting all aspects of such Retained Cause of Action as provided in the Plan, including prosecution in the name of the applicable Debtor, funding for same, and terms of settlement and (ii) the Liquidation Trust and applicable Debtor shall share costs and proceeds pertaining to such Retained Cause of Action so as to realize the Asset Apportionment otherwise described in the Plan. Nothing set forth herein shall be deemed applicable to, or binding with respect to, the U.S. federal income tax reporting obligations of the Liquidation Trust or Liquidation Trustee, if any, and for the avoidance of doubt the Liquidation Trust and Liquidation Trustee shall comply with, and report as required in their sole judgment in compliance with, such U.S. federal income tax laws as may be applicable to the Liquidation Trust and the holders of Beneficial Trust Interests.

F. Cancellation of Unexercised and Unvested Interests

On the Effective Date, any contingent or unexercised option, warrant, or right, contractual or otherwise, to acquire or be awarded any interest in a Debtor, including unvested restricted share units, or other such forms of interest, including those held by former officers, employees or directors of the Debtors as a form of compensation, except for deferred share units identified in the Plan Supplement which are owing to the Debtors' directors but were not granted due to the stay of proceedings in the Chapter 11 Cases and the CCAA Proceedings and, for greater certainty, vested restricted share units and other deferred share units, shall be cancelled without the exchange of any similar interest, or other form of consideration. Any Proof of Claim or Equity Interest filed are on account of such cancelled interests shall be disallowed as a Claim or Equity Interest for which the Debtors have no liability and the Claims and Solicitation Agent may adjust the Claims Register accordingly to reflect such disallowance without further order of the Bankruptcy Court or Canadian Court.

XI. PROCEDURES FOR RESOLVING DISPUTED CLAIMS; CLAIM RESERVES

A. Prosecution of Objections to U.S. Claims

After the Effective Date, the Liquidation Trust shall have and retain any and all rights and defenses that any Debtors may have with respect to any U.S. Claims, and shall have the authority, after consultation with the Monitor, to file objections and to settle, compromise, withdraw or litigate to judgment objections to Claims against the U.S. Debtors (except those Allowed by the Plan, the Confirmation Order or other Final Order). The Liquidation Trust, after consultation with the Monitor, shall have the authority to compromise, settle, otherwise resolve, or withdraw, any objections to Disputed Claims on account of U.S. Claims without approval of the Bankruptcy Court. Any final determination of the U.S. Claims made in the

Chapter 11 Proceedings shall be binding in the CCAA Proceedings and constitute Final Orders with respect to such Claims.

The U.S. Debtors (after the later of the Confirmation Date and the CCAA Approval Order Date, and until the Effective Date) or the Liquidation Trust (from and after the Effective Date), shall file objections to any U.S. Disputed Claims with the Bankruptcy Court in accordance with the Bankruptcy Rules on or before the Claims Objection Deadline, as the same may be extended pursuant to the terms of the Plan or order of the Bankruptcy Court.

B. **Prosecution of Objections to Canadian Claims**

The Monitor, after consultation with the Liquidation Trustee and the Reorganized Parent Debtor, will allow and disallow Canadian Claims in accordance with a Claims Resolution Order granted by the Canadian Court and the authority contained therein. Any objection to a notice of disallowance or revision issued by the Monitor shall only be made to the Monitor in accordance with the Claims Resolution Order. Any final determination of the Canadian Claims made in the CCAA Proceedings pursuant to the Claims Resolution Order shall be binding in the Chapter 11 Cases and constitute Final Orders with respect to such Claims.

C. **Cross-Border Provisions for Resolution of Certain Claims**

1. **Multiple Disputed Claims**

In the event that a Disputed Claim has been separately filed against one or more Canadian Debtors and one or more U.S. Debtors and also with respect to Securities Law Claims, the Monitor and Liquidation Trustee may determine a mutually acceptable process for prosecuting and resolving such Claim in accordance with the Claims Resolution Order, including deciding to liquidate such Disputed Claim under the Plan as a Disputed Canadian Claim or Disputed U.S. Claim, respectively, and if no agreement can be reached, the Bankruptcy Court and Canadian Court shall decide the process by an order of both courts. Any appeal to such Disputed Claim shall only be made to the Monitor in accordance with the Claims Resolution Order if such Disputed Claim is treated as a Disputed Canadian Claim or to the U.S. Debtor or Liquidation Trustee, as applicable, if such Disputed Claim is treated as a Disputed U.S. Claim.

2. **Applicable Statutory Caps**To the extent that a provision of the Bankruptcy Code or a provision of the CCAA or an order of the Canadian Court limits the Allowed amount of a particular type of Claim (e.g., sections 502(b)(6) and 502(b)(7) of the Bankruptcy Code), the distribution on such Allowed Claim under the Plan shall not exceed the lesser of (a) the Allowed amount such Claim is entitled to under the provisions of the Bankruptcy Code; and (b) the Allowed amount such Claim is entitled to under the CCAA or any order of the Canadian Court.

3. **Estimation of Claims**

The Liquidation Trust, after consultation with the Monitor, may, at any time after the Effective Date, request that the Bankruptcy Court estimate any contingent or unliquidated U.S. Claim respectively, pursuant to section 502(c) of the Bankruptcy Code, regardless of whether any Debtor previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any U.S. Claim at any time, including during litigation concerning any objection to any U.S. Claim, and during the pendency of any appeal relating to any such objection.

The Monitor may, at any time after the Effective Date and after consultation with the Liquidation Trustee, request that the Canadian Court or claims officer appointed by the Canadian Court to estimate, determine or resolve any contingent or unliquidated Canadian Claim respectively, pursuant to the CCAA and in accordance with a Claims Resolution Order.

If the Bankruptcy Court or the Canadian Court or a claims officer appointed by the Canadian Court estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the applicable court. If the estimated amount constitutes a maximum limitation on such Claim, the Liquidation Trust or Monitor, as applicable, may elect to pursue any supplemental proceedings to object to the allowance and any ultimate payment on such Claim. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court or the Canadian Court, as applicable, including under the Plan, the CCAA Approval Order or a Claims Resolution Order.

4. Distributions on Allowed Claims

As further provided in Article VII of the Plan, the Distribution Agent shall make all distributions on Allowed Claims from the Sale Proceeds. The Liquidation Trustee shall direct the Distribution Agent to make distributions on account of Allowed U.S. Claims and the Monitor shall direct the Distribution Agent to make distributions on account of Allowed Canadian Claims.

D. No Double Recovery on Allowed Cross-Border Claims

The aggregate recovery under the Plan, on the one hand, and in the CCAA Proceedings under the CCAA Approval Order, on the other hand, on account of any Claim for which more than one Debtor 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 shall not exceed 100% of the Allowed amount of the Claim as determined in accordance with the Plan, the CCAA Approval Order or a Claims Resolution Order, as applicable.

E. Reserves

1. Liquidation Trust Expense Reserve

On the Effective Date, the Debtors or the Distribution Agent will fund with Cash the Liquidation Trust Expense Reserve in the amount set forth in the Plan Supplement, and the Liquidation Trust Expense Reserve will remain under the control of the Reorganized Parent Debtor until (1) a Clearance Certificate is obtained that permits transfer of the Liquidation Trust Expense Reserve to the Liquidation Trust or (2) the Board of Directors of the Reorganized Parent Debtor otherwise resolves to disburse such funds; provided, however, that at least $100,000 of the Liquidation Trust Expense Reserve shall be funded into the Liquidation Trust within 60 days of 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, and provided, further, that Wind-Down Expenses and expenses of the Liquidation Trust (including, but not limited to, professional fees incurred in connection with the Retained Causes of Action) may be paid from any reserves prior to the issuance of a Clearance Certificate. Once distributed by the Reorganized Parent Debtor, the Pro Rata portion of the Liquidation Trust Expense Reserve attributable to beneficial Holders of Allowed Parent Equity Interests that Election Option 1 under the Plan shall be treated as deemed distributions to such Holders followed immediately by deemed contributions by such Holders to the Liquidation Trust, including for all U.S. federal income tax purposes. To the extent any Cash remains in the Liquidation Trust Expense Reserve after payment of the Wind-Down Expenses of the Liquidation Trust and the Debtors, such excess Cash shall be administered in accordance with the other provisions of the Plan, including as additional distributions to Holders of Beneficial Trust Interests or to Holders of Parent Equity Interests; provided however that any such distribution shall not be made before the Final Distribution Date.

2. **Holdback Amount Reserve**

On the Effective Date, the Debtors or the Distribution Agent will fund in Cash the Holdback Amount Reserve from the U.S. Sale Proceeds Account in an amount sufficient to Pay in Full the Holdback Amount for Professionals and payment of any additional unpaid amounts asserted or estimated by the Professionals and Alvarez & Marsal North America, LLC as owing to any such firm for fees and expenses accrued prior to the Effective Date that have not yet been paid. To the extent any Cash remains in the Holdback Amount Reserve after payment of the Professionals and Alvarez & Marsal North America, LLC, such excess Cash shall be administered by the Distribution Agent in accordance with the other provisions of the Plan.

3. **Individual Securities Damages Reserve**

On the Effective Date, the Debtors or the Distribution Agent will fund with Cash the Individual Securities Damages Reserve, and the Individual Securities Damages Reserve will remain under the control of the Monitor on behalf of the Reorganized Parent Debtor until a Clearance Certificate or Comfort Letters are obtained and the Monitor determines that the transfer of the Individual Securities Damages Reserve to the Holder of the Individual Securities Damages Claim is permitted. The Individual Securities Damages Reserve will be used to satisfy any Allowed Individual Securities Damages Claim and will be the sole source of recovery for such Allowed Claim. To the extent any Cash remains in the Individual Securities Damages Reserve after payment of the Individual Securities Damages Claim, to the extent Allowed, or if such Claim is Disallowed, such excess Cash shall be transferred to the Distribution Agent to be administered in accordance with the other provisions of the Plan and the CCAA Approval Order.

4. **Reserve Amounts**

The Bankruptcy Court and the Canadian Court shall approve the Reserve amounts authorized under the Plan in the Confirmation Order and CCAA Approval Order, respectively.

F. **No Interest on Allowed Claims; Setoffs**

Unless otherwise specified in the Plan or by Final Order, "Allowed Administrative Claim" or "Allowed General Unsecured Claim" shall not, for any purpose under the Plan, include interest on such Administrative Claim or Claim from and after the Petition Date or attorney's fees after the Petition Date.

An Allowed Claim shall be net of any setoff or recoupment amount of any Claim that may be asserted by any Debtor against the Holder of such Claim, which amount shall be deemed setoff or recouped pursuant to the Plan.

G. **Prompt Claims Resolution**

To ensure the prompt resolution of Claims, objections to all Claims that are (i) subject to reduction by section 502(b)(7) of the Bankruptcy Code, (ii) amended and superseded Claims and (iii) duplicate Claims shall be filed by no later than thirty (30) days after the Effective Date, and notices of disallowance shall be served on all Canadian Claims that are subject to reduction by section 502(b)(7) of the Bankruptcy Code by such same date.

Additionally, beginning on the 90th day after the Effective Date and continuing every 90th day thereafter until all U.S. Claims have become Satisfied Claims, Allowed U.S. Claims or U.S. Claims disallowed by a Final Order, the Liquidation Trustee shall file on the Docket and serve on the Holders of all remaining U.S. Claims a progress report discussing its efforts to reconcile and liquidate U.S. Claims taken during the reporting period.

XII. PROVISIONS GOVERNING DISTRIBUTIONS

A. **Distribution Agent**

Each Distribution Agent shall make the applicable distributions under the Plan tasked to such Distribution Agent. The Distribution Agent shall act at the direction of the Reorganized Parent Debtor, the Monitor or the Liquidation Trustee, as the case may be. On the Effective Date, the Distribution Agent shall have the authority to distribute the Sale Proceeds in accordance with the Plan, and as directed by the Reorganized Parent Debtor, the Monitor or the Liquidation Trustee.

The Monitor shall be the Distribution Agent through the Final Monitor Distribution Date, and the Monitor as Distribution Agent shall make the Initial Cash Distributions from the Sale Proceeds required under the Plan and the CCAA Approval Order to Holders of Allowed Secured Claims, Allowed Priority Claims, and Allowed General Unsecured Claims, as well as to pay any Allowed Individual Securities Damages Claim from the Individual Securities Damages Reserve upon receipt of either (a) Comfort Letters, and/or (b) such other arrangement satisfactory to the Monitor, as applicable. Following the Final Monitor Distribution Date, any Person selected by the Monitor, Reorganized Parent Debtor or the Liquidation Trustee may be designated as the Distribution Agent to make interim and final distributions to Holders of Claims and Parent Equity Interests as permitted under the Plan and the CCAA Approval Order.

Following the Effective Date, the Reorganized Parent Debtor or the Liquidation Trust, as applicable, shall pay to the Distribution Agent all reasonable and documented fees and expenses of the Distribution Agent without the need for any approvals, authorizations, actions, or consents. The Distribution Agent shall submit detailed invoices to the Reorganized Parent Debtor, the Monitor and the Liquidation Trustee, as applicable, for all fees and expenses for which the Distribution Agent seeks reimbursement and shall be paid those amounts that the Reorganized Parent Debtor, the Monitor and the Liquidation Trustee, in their sole discretion, deem reasonable. In the event that the Reorganized Parent Debtor, the Monitor or Liquidation Trustee, as applicable, object to all or any portion of the amounts requested to be reimbursed in a Distribution Agent's invoice, the Reorganized Parent Debtor, Monitor or Liquidation Trustee, as applicable, and such Distribution Agent shall endeavor, in good faith, to reach mutual agreement on the amount of the appropriate payment of such disputed fees and/or expenses. In the event that the Reorganized Parent Debtor, Monitor or Liquidation Trustee, as applicable, and the Distribution Agent are unable to resolve any differences regarding disputed fees or expenses, any such party shall be authorized to move to have such dispute heard by the Bankruptcy Court or the Canadian Court, provided, however, if the dispute relates to amounts requested to be reimbursed by the Monitor, the dispute shall be heard by the Canadian Court.

B. **Delivery of Distributions**

Distributions to Holders of Allowed Claims shall be made by the Distribution Agent to the address of the Holder of such Claim as indicated in the Claims Register as of the Distribution Record Date. The Distribution Agent shall have no obligation to recognize the transfer of or sale of any Claim that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes to recognize and distribute only to those Holders of Allowed Claims who are Holders as of the close of business on the Distribution Record Date.

Distributions to Holders of Parent Equity Interests shall be made via a mandatory exchange with Clearing and Depository Services Inc. and Depository Trust Company to Holders of Parent Equity Interests at the time the distribution is made, without the establishment of a distribution record date for Parent Equity Interests, except in the case of Holders of Parent Equity Interests electing Option 1, who shall receive distributions from the Liquidation Trust or other Distribution Agent at the address set forth on their Liquidation Trust Certification Form. Any subsequent distributions on account of Liquidation Trust Beneficial Interests shall be made in similar manner, at the address listed on such Liquidation Trust Beneficiary's Liquidation Trust Certification Form, or at such other address as they later send to the Liquidation Trustee in writing.

C. **Timing of Distributions**

The Distribution Agent may make one or more interim and final distributions of Cash to Holders of Claims or Parent Equity Interests, in his discretion to the extent permitted hereunder, provided, however, that no Cash distributions shall be made to the Holders of Allowed Parent Equity Interests or Holders of Beneficial Trust Interests under the Plan until all obligations under the Plan to the Holders of Allowed Claims (including Fee Claims) and the Wind-Down Expenses of the Debtors have been Paid in Full in Cash or reserved for pursuant to a Final Order and the Debtors or the Monitor shall have obtained Clearance Certificates permitting such distribution.

With respect to Allowed Claims other than Allowed Fee Claims, the Distribution Agent shall make distributions of Cash to Holders of such Allowed Claims as follows:

1. On the Initial Distribution Date, Cash to all Holders of Allowed Claims as of the Distribution Record Date.

2. On any Interim Distribution Date, Cash to all Holders of Allowed Claims that have become Allowed after the Initial Distribution Date.

3. On the Final Distribution Date, the balance of all Cash distributions to Holders of Allowed Claims and Allowed Equity Interests, as applicable and as required under the Plan.

The Distribution Agent shall pay Allowed Fee Claims in accordance with Article III.B of the Plan.

Until the Monitor is in receipt of the Comfort Letters, the Monitor, as Distribution Agent, shall be under no obligation to make any distributions on account of any Allowed Claims. The Distribution Agent shall not make any Cash distributions from the Sale Proceeds on account of Equity Interests until receipt of the applicable Clearance Certificates satisfactory to the Distribution Agent and the Debtors.

D. **No Distributions on Disputed Claims**

Notwithstanding any provision in the Plan to the contrary, no distributions, partial or otherwise, shall be made with respect to a Disputed Claim until all disputes with respect to such Claim are resolved by the Liquidation Trust or the Monitor and the Holder of such Claim by Final Order or settlement. Subject to the provisions of the Plan, after a Disputed Claim becomes an Allowed Claim, the Holder of such an Allowed Claim will receive all distributions to which such Holder is then entitled under the Plan on the Initial Distribution Date, or the next scheduled Interim Distribution Date or Final Distribution Date, as the case may be. No post-petition interest, including post-Effective Date interest shall be paid on any distributions under the Plan, including with respect to any Disputed Claim that becomes an Allowed Claim. If a Creditor incorporates more than one Claim in a Proof of Claim then: (a) such Claims will be considered one Claim for purposes of the Plan, and (b) no such Claim will be bifurcated into an Allowed portion and a Disputed portion.

E. **Amount of Distributions**

Notwithstanding anything to the contrary contained in the Plan, no Holder of an Allowed Claim shall, on account of such Allowed Claim, receive a distribution in excess of the Allowed amount of such Claim to the extent payable in accordance with the Plan, even if filed against multiple Debtors.

F. **De Minimis Distributions**

Notwithstanding anything contained in the Plan to the contrary, no distribution shall be required to be paid if such payment would be less than $50.00 on any distribution, provided, however, that distributions made through the Depository Trust Company or Clearing and Depository Services Inc. may be made to the nearest cent, with half cents rounding down to zero, even if any such distribution would be less than $50.00.

G. Undeliverable Distributions

1. Holding of Undeliverable Distributions

If any distribution to a Holder of an Allowed Claim, Parent Equity Interest or Liquidation Trust Beneficial Interest is returned as undeliverable, no further distributions must be made to such Holder unless and until the Monitor, Liquidation Trustee or Distribution Agent, as applicable, is notified in writing of such Holder's then-current address or other necessary information for delivery, at which time all currently due missed distributions shall be made to such Holder as soon as practicable, subject to Article VII.G.2 of the Plan regarding the failure to claim Undeliverable Distributions. Undeliverable Distributions shall remain in the possession of the Monitor or Liquidation Trustee, as applicable, until such time as a distribution becomes deliverable, and shall not be supplemented with any interest, dividends or other accruals of any kind.

2. Failure to Claim Undeliverable Distributions

Any Holder of an Allowed Claim, Parent Equity Interest or Liquidation Trust Beneficial Interest that does not assert its right pursuant to the Plan for an Undeliverable Distribution within ninety (90) days after the distribution is distributed shall be deemed to have waived, and shall be forever barred from asserting, its rights for such Undeliverable Distribution, notwithstanding any applicable federal, state or Canadian escheat, abandoned or unclaimed property laws to the contrary. Nothing contained in the Plan shall require the Debtors, the Monitor, the Liquidation Trustee/Liquidation Trust, or a Distribution Agent to attempt to locate any Holder of an Allowed Claim, Parent Equity Interest or Liquidation Trust Beneficial Interest.

H. Distributions on Non-Business Days

Any payment or distribution due on a day other than a Business Day shall be made, without interest, on the next Business Day.

I. Tax Withholding From Distributions

Any amounts required by law to be withheld from distributions made under the Plan shall be withheld. Any amounts so withheld from any payment made under the Plan shall be deemed paid to the Holder of the Allowed Claim or Parent Equity Interest subject to withholding. Notwithstanding the above, each Holder of an Allowed Claim or Parent Equity Interest that is to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any taxes imposed on such Holder by any Governmental Unit on account of such distribution, except for taxes withheld from payments made under the Plan. Each Debtor, the Liquidation Trustee, the Monitor or any Distribution Agent, as applicable, has the right, but not the obligation, not to make a distribution until such Holder has made arrangements satisfactory to the Debtor, the Liquidation Trustee, the Monitor or Distribution Agent for payment of any withholding tax obligations. Each Debtor, the Liquidation Trustee, the

Monitor or any Distribution Agent has no liability hereunder to any party, including any Governmental Unit, for incorrectly calculating amounts to be withheld, if any. If any Debtor, the Liquidation Trustee, the Monitor or any Distribution Agent fails to withhold with respect to any such Holder's distribution, it shall have no liability for such failure to withhold to any party, including any Governmental Unit, and the Holder shall reimburse the Debtor, the Liquidation Trust, the Monitor or other Distribution Agent, as applicable. Notwithstanding any provision in the Plan to the contrary, any Debtor, the Liquidation Trustee, the Monitor or any Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms it believes are reasonable and appropriate. Any Debtor, the Liquidation Trustee, the Monitor or any Distribution Agent may require, as a condition to the receipt of a distribution, that the Holder complete the appropriate Form W-8 or Form W-9, as applicable to each Holder. If the Holder fails to comply with such a request within three (3) months, such distribution shall be deemed an Undeliverable Distribution. Finally, any Debtor, the Liquidation Trustee, the Monitor or any Distribution Agent reserves the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, Liens, and encumbrances, if any.

J. **Allocations**

Unless otherwise provided in the Plan, distributions in respect of Allowed Claims shall be allocated first to the principal amount (as determined for U.S. federal income tax purposes) of such Allowed Claims, and then, to the extent the distribution exceeds the principal amount of such Allowed Claims, to any portion of such Allowed Claims for accrued but unpaid interest; provided, however, that no Post-Petition Interest on account of General Unsecured Claims shall be Allowed or paid under the Plan.

K. **Time Bar to Cash Payments**

Checks issued on account of Allowed Claims and Parent Equity Interests and Beneficial Liquidation Trust Interests may be deemed null and void if not negotiated within one hundred and eighty (180) days after the date of issuance thereof. Requests for reissuance of any check shall be made in writing directly to the Liquidation Trust, Monitor or any other Distribution Agent, as applicable, by the Holder of the Allowed Claim or Parent Equity Interest with respect to which such check originally was issued. Any request in respect of such a voided check shall be made in writing on or before the later of one-hundred and eighty (180) days after the Effective Date or one-hundred and eighty (180) days after the date of issuance of such check. After such date, all rights in respect of void checks shall be forever barred and the distribution on account of such Claims and Parent Equity Interests shall be treated in accordance with Article VII.G of the Plan.

L. **Means of Cash Payments**

Any Cash payment to be made pursuant to the Plan will be made in U.S. dollars by checks drawn on or by wire transfer from a domestic bank selected by the applicable Debtor, the Liquidation Trustee, the Monitor or any Distribution Agent, as applicable, provided, however, that any Debtor, the Liquidation Trustee, the Monitor or any Distribution Agent shall make Cash payment on any Claim filed against such Debtor in Canadian Dollars.

M. **Foreign Currency Exchange Rates**

As of the Effective Date, any Claim asserted in currency(ies) other than U.S. dollars or Canadian Dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the mid-range spot rate of exchange for the applicable currency as published in *The Wall Street Journal*, National Edition, on the Petition Date. For greater certainty, the exchange rate does not apply to any Claims filed in Canadian Dollars that are paid in Canadian Dollars.

N. **Setoffs**

Any Debtor, the Monitor, the Liquidation Trustee or any Distribution Agent, as applicable, may, pursuant to section 558 of the Bankruptcy Code and applicable Canadian or non-bankruptcy law, set off against any Allowed Claim, the distributions to be made pursuant to the Plan on account of such Claim (before any distribution is made on account of such Claim), the claims, rights and Causes of Action of any nature that the Debtors or Liquidation Trust, as applicable, may hold against the Holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release of any such claims, rights and Causes of Action that the Debtors or the Liquidation Trust may possess against such Holder.

O. **Satisfied Claims and Claims Paid or Payable by Third Parties**

Any Administrative Claim or Claim that has been paid or satisfied in full or in part by any party may be adjusted on the Claims Register without a claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, provided that the Liquidation Trustee shall file a notice of satisfaction or other pleading evidencing such satisfactions as are made by the Purchaser or any other party other than a Debtor or the Monitor, or seek an order of the Bankruptcy Court with respect to the same, all in the Liquidation Trustee's reasonable discretion. To the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor, the Monitor or a Distribution Agent, as applicable, on account of such Claim, such Holder shall repay, return or deliver any distribution held by or transferred to the Holder to the Monitor to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the total Allowed Claim of such Holder as of the date of any such distribution under the Plan. For the avoidance of doubt, prior to the making of distributions hereunder, Claims shall be reduced by the amount, if any, that was (i) paid by one or more of the Debtors pursuant to an order of the Bankruptcy Court or the Canadian Court, (ii) paid or otherwise assumed by the Purchaser in accordance with the Purchase Agreement, or (iii) otherwise satisfied by any third party; provided, however, that to the extent payment on a Claim that could be satisfied by a third party is still made, then, as permitted under applicable law, the Estates shall be subrogated to any such otherwise Satisfied Claims to recover amounts that could have been used for satisfaction of such Claim.

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' 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. To the extent that one or more of the insurers agrees to satisfy a Claim should liability ultimately arise on such Claim, then immediately upon such insurers' agreement, such Claim may be deemed Paid in Full under the Plan.

XIII. TREATMENT OF EXECUTORY CONTRACTS

A. Treatment of Executory Contracts

Except as otherwise expressly provided in Article VIII.B of the Plan relating to any insurance policies that may be Executory Contracts, all Executory Contracts of the U.S. Debtors that have not been assumed or assumed and assigned by the Debtors as of the Confirmation Date shall be deemed rejected as of the Effective Date in accordance with, and subject to the provisions and requirements of, sections 365 and 1123 of the Bankruptcy Code.

All Executory Contracts of the Canadian Debtors that have not been assumed or assigned by the Debtors as of the Confirmation Date shall be rejected prior to or after the Effective Date in accordance with section 32 of the CCAA in the CCAA Proceedings.

B. Insurance Policies

Notwithstanding anything to the contrary in the Plan or Confirmation Order, unless any insurance policies have been expressly rejected pursuant to a separate order of the Bankruptcy Court (or through the Confirmation Order), any insurance policies of the Debtors in which the Debtors are or were insured parties (including any policies covering directors' or officers' conduct), or any related insurance agreement issued prior to the Petition Date, shall continue in effect after the Effective Date pursuant to the respective terms and conditions and shall be treated as if assumed. All rights of the Debtors under any insurance policies shall automatically become vested in the Liquidation Trust and the Reorganized Parent Debtor without necessity for further approvals or orders. To the extent that any insurance policies or related insurance agreements are deemed executory contracts, then, unless such policies have been rejected pursuant to a separate order of the Bankruptcy Court or the Canadian Court (or through the Confirmation Order), notwithstanding anything to the contrary in the Plan, the Plan shall constitute a motion to assume, assume and assign, permit "ride through," or ratify such insurance policies or insurance agreements. Subject to the occurrence of the Effective Date, the entry of the Confirmation Order shall constitute both approval of such assumption pursuant to section 365 of the Bankruptcy Code and a finding by the Bankruptcy Court or the Canadian Court that such assumption is in the best interests of the Estates. Unless otherwise determined by the Bankruptcy Court or the Canadian Court pursuant to a Final Order or agreed upon by the parties prior to the Effective Date, no payments shall be required to cure any defaults of the Debtors existing as of the

Confirmation Date with respect to any insurance policy or insurance agreement assumed, or assumed and assigned, pursuant to the Plan. Each insurance company is prohibited from, and the Confirmation Order shall include an injunction against, denying, refusing, altering or delaying coverage on any basis regarding or related to these Chapter 11 Cases, the Plan or any provision within the Plan, including the treatment or means of liquidation set out within the Plan for any insured Claims or Retained Causes of Action. Without limiting the generality of the foregoing, all directors' and officers' liability insurance policies in effect as of the Confirmation Date shall be deemed assumed and shall not be rejected.

C. **Effect of Confirmation Order on Rejection of Executory Contracts**

Other than as provided in Article VIII.B of the Plan, entry of the Confirmation Order shall constitute an order of the Bankruptcy Court pursuant to sections 365 and 1123(b) of the Bankruptcy Code approving the rejection of the Executory Contracts of the U.S. Debtors as of the Effective Date and determining that with respect to such rejections, such rejected Executory Contracts are burdensome and that the rejection is in the best interests of the Estates.

D. **Rejection Damages Claims and Objections to Rejection**

Claims arising out of the rejection of any Executory Contract pursuant to the Plan must be filed and served no later than thirty (30) days after the Effective Date. Holders of any Claim not filed within such time will be forever barred from asserting such Claim against the Liquidation Trust, the Monitor, the Debtors or their Estates, or their respective successors or assigns or their respective property. Unless otherwise ordered by the Bankruptcy Court or the Canadian Court or specified in the Plan, all Claims arising from the rejection of Executory Contracts under the Plan shall be treated as General Unsecured Claims under the Plan.

E. **Preexisting Obligations Under Executory Contracts**

The Debtors and the Liquidation Trust reserve the right to assert that rejection of any Executory Contract pursuant to the Plan, the CCAA or otherwise shall not constitute a termination of obligations owed to the Debtors and/or the Liquidation Trust, as applicable, under such contracts, including but not limited to on the grounds that such Executory Contract was, in fact, not executory and such obligations owed to the Debtors "rode through" the Chapter 11 Cases. Notwithstanding any non-bankruptcy law to the contrary, the Debtors and the Liquidation Trust expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased, or services previously received, or insurance obligations, by or for the benefit of the contracting Debtors or the Liquidation Trust, as applicable, from counterparties to rejected Executory Contracts.

F. **Reservation of Rights**

Nothing contained in the Plan shall constitute an admission by the Debtors or the Liquidation Trust, as applicable, that any contract is in fact an Executory Contract, or that the Debtors or Liquidation Trust, as applicable, have any liability thereunder. In the event of a dispute regarding whether a contract is or was executory at the time of assumption or rejection, the Debtors or Liquidation Trust, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter the treatment of such contract.

XIV. CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

A. Conditions Precedent to Confirmation

It shall be a condition to Confirmation of the Plan that:

(i) the Disclosure Statement Order shall have been entered by the Bankruptcy Court on the Docket of the Chapter 11 Cases, in form and substance acceptable to the Debtors, Monitor, Creditors' Committee and Equity Committee, and such order shall not be subject to a stay;

(ii) The Canadian Court shall have issued an Order in form and substance satisfactory to the Debtors, the Monitor and the Committees confirming the steps to be taken by the Debtors in the CCAA Proceedings, including seeking approval of the CCAA Approval Order (the "Initial CCAA Approval Order").

(iii) the Purported Securities Class Action Claim shall have been disallowed and expunged in its entirety or estimated at $0.00, in each instance, pursuant to an order of the Bankruptcy Court, Canadian Court or other court of competent jurisdiction entered on or before the Confirmation Date, and for all purposes, including, without limitation, Plan distribution purposes;

(iv) either the Holder of the Individual Securities Damages Claim shall have agreed to the treatment of the Individual Securities Damages Claim as provided under the Plan (including, but not limited to, the amount of the Individual Securities Damages Claim Reserve), or (ii) the Individual Securities Damages Claim shall have been estimated at $928,077.31 or some lesser amount pursuant to an order of the Bankruptcy Court or other court of competent jurisdiction entered on or before the Confirmation Date;

(v) the Plan Supplement shall have been filed with the documents contemplated by the Plan, and the documents comprising the Plan Supplement shall have been approved by the Confirmation Order; and

(vi) The SEC, the Debtors and the Equity Committee shall have reached an agreement regarding the treatment of the SEC Claim.

B. **Conditions Precedent to the Effective Date**

It shall be a condition to occurrence of the Effective Date that the following conditions shall have been satisfied or waived pursuant to Article IX.D of the Plan:

(i) the Bankruptcy Court shall have entered on the Docket the Confirmation Order approving the Plan (including the establishment of the Reserves, the payment of Allowed Claims and Equity Interests as set forth in the Plan and the Global Settlement) in form and substance acceptable to the Debtors, Creditors' Committee and Equity Committee, and such order shall not be subject to a stay;

(ii) the Canadian Court shall have issued the CCAA Approval Order in form and substance acceptable to the Debtors, Equity Committee, the Creditors' Committee and the Monitor, and such order shall not be subject to a stay;

(iii) the Courts shall have approved the formation of the Liquidation Trust and the appointment of the Liquidation Trustee as the Litigation Representative for the Debtors and the Liquidation Trust with all of the rights, powers, privileges and authority described in Article V.E.12 of the Plan by appropriate orders of the Canadian Court and the Bankruptcy Court;

(iv) all Reserves shall have been funded in Cash;

(v) all other actions and documents necessary to implement the provisions of the Plan to be effectuated on or before the Effective Date shall be reasonably satisfactory to the Debtors, the Monitor, the Creditors' Committee and the Equity Committee;

(vi) the Debtors shall have received all authorizations, consents, approvals, rulings, letters, opinions or documents, if any, necessary to implement the Plan; and

(vii) each Debtor's Plan shall have become effective.

C. **Effect of Non-Occurrence of Conditions to Confirmation or Conditions Precedent to the Effective Date**

If the conditions in Article IX.A and IX.B of the Plan are not satisfied, or if the Confirmation Order or CCAA Approval Order is vacated, the Plan shall be null and void in all respects and nothing contained in the Plan or this Disclosure Statement shall (a) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtors; or (b) constitute an admission, acknowledgment, offer or undertaking by the Debtors or any other Person in any respect.

D. **Waiver of Conditions Precedent**

The Debtors, with written consent of the Monitor and each of the Committees, may waive any of the conditions precedent set forth in Article IX.A and Article IX.B of the Plan, other than IX.A.1, IX.B.1, and IX.B.2 in whole or in part at any time, without notice, without leave or order of the Bankruptcy Court, and without any formal action other than proceeding to confirm and/or consummate the Plan.

XV. EFFECT OF CONFIRMATION OF THE PLAN

A. **Certain Releases by the Debtors**

Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, and to the fullest extent authorized by applicable law, for good and valuable consideration, the Debtor Releasees are deemed released and discharged by the Liquidation Trust, the Debtors and the Estates, from any and all claims, obligations, suits, judgments, damages, demands, debts, remedies, Causes of Action, rights of setoff, other rights, and liabilities whatsoever, including any derivative claims, asserted or that could be asserted directly or indirectly on behalf of the Liquidation Trust, the Debtors, or the Estates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, and any and all Causes of Action asserted or that could possibly have been asserted on behalf of the Liquidation Trust, the Debtors, or the Estates (whether individually or collectively) based on, relating to or arising from, in whole or in part, the Debtors, the Estates or the Debtors' subsidiaries, the conduct of the Debtors' businesses, the out-of-court efforts to restructure or liquidate the Debtors, the filing and prosecution of the Chapter 11 Cases or the CCAA Proceedings, the prepetition contracts and agreements with any Debtor or any Estate, all to the extent such acts or occurrence took place prior to the Petition Date (collectively, the "Released Liabilities"); provided, however, that as to any employees of the Debtors who are Insured Persons (such employees, "Insured Employees"), the Debtors, the Estates and the Liquidation Trust, as applicable, shall be permitted to pursue the Insured Employees for any Released Liabilities (the "Permitted Actions") so long as all recourse for the Permitted Actions against such Insured Employees shall be limited in all respects to applicable insurance proceeds actually available and the Insured Employees shall have no personal liability related to any Permitted Actions. Notwithstanding anything contained in the Plan to the contrary, an Insured Employee shall receive the benefit of the release provisions contained in Article X.A of the Plan only if,

prior to the Effective Date, the Debtors have obtained the consent of the [D&O Insurers], in form and substance acceptable to the Equity Committee in its discretion, confirming that the rights of the Debtors, the Estates and the Liquidation Trust to pursue all applicable insurance policies on account of the Permitted Actions and obtain recoveries thereunder in respect to the Permitted Actions shall not be affected, impaired, or compromised in any way by the releases of the Debtor Releasees or any other Insured Employee granted in paragraph X.A of the Plan. To the extent such consent has not been obtained from the [D&O Insurers] prior to the Effective Date, the releases granted in paragraph X.A of the Plan to any Insured Employee shall be null and void. For the avoidance of doubt, except to the extent expressly provided under the Plan in respect to the Debtor Releasees, no release is being granted to any Person or entity under the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases set forth in Article X.A of the Plan, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that such release is: (a) in exchange for the good and valuable consideration provided by the Debtor Releasees; (b) a good faith settlement and compromise of the claims released by Article X.A of the Plan; (c) in the best interests of the Debtors and their Estates; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any Person asserting any claim or Cause of Action released by Article X.A of the Plan.

B. **Certain Releases by Holders of Claims**

Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, the Third-Party Releasees shall be deemed to have been conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by the Releasing Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, remedies, Causes of Action, rights of setoff, other rights, and liabilities whatsoever, whether for tort, contract, violations of federal, provincial or state securities laws, Avoidance Actions, including any derivative claims, asserted or that could possibly have been asserted directly or indirectly on behalf of the Releasing Parties or their Affiliates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, and any and all Causes of Action asserted or that could possibly have been asserted on behalf of the Releasing Parties or their Affiliates (whether individually or collectively) or on behalf of the Holder of any Claim, based on or in any way relating to, or in any manner arising from, in whole or in part, the Liquidation Trust, the Debtors, the Debtors' Estates or the Debtors' subsidiaries, the conduct of the Debtors' businesses, the in-court or out-of-court efforts to restructure or liquidate the Debtors, the formulation, preparation, solicitation, dissemination, negotiation, or filing of this Disclosure Statement or the Plan (including the Plan Supplement), or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to this Disclosure Statement, the Plan (including the Plan Supplement), the filing and prosecution of the Chapter 11 Cases or the CCAA Proceedings, the pursuit of Confirmation, the pursuit of Consummation, the subject matter of, or the transactions or events giving rise to, any Claim that is treated in the Plan, the business or contractual arrangements between the Liquidation Trust, the

Debtors, the Debtors' Estates or the Debtors' subsidiaries, on the one hand, and any Releasing Parties, on the other hand, prepetition contracts and agreements with any Debtor, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases set forth in Article X.B of the Plan, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that such release is: (a) in exchange for the good and valuable consideration provided by the Third-Party Releasees; (b) a good faith settlement and compromise of the claims released by Article X.B of the Plan; (c) in the best interests of the Debtors and their Estates; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any Person asserting any claim or Cause of Action released by Article X.B of the Plan.

C. **Exculpation**

Effective as of the Effective Date, none of the Exculpated Parties shall have or incur any liability to any Holder of any Claim or Equity Interest, the Debtors' Estates or any successor thereto, or any other party (including, but not limited to, 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, including the formulation, negotiation and execution of the Purchase Agreement, the sale of the Debtors' assets pursuant to the Purchase Agreement, obtaining debtor-in-possession financing in connection with the Chapter 11 Cases and the CCAA Proceedings, the formulation, negotiation and execution of the Plan (including the Plan Supplement), this Disclosure Statement, the solicitation of votes for and the pursuit of confirmation of the Plan, the Consummation of the Plan, or the administration of the Plan, and the property to be distributed under the Plan, including all documents ancillary thereto, all decisions, actions, inactions and alleged negligence or misconduct relating thereto and all postpetition activities leading to the promulgation and Confirmation of the Plan (including, but not limited to, any other post-petition act taken or omitted to be taken in connection with or in contemplation of the restructuring or liquidation of the Debtors), except in case of fraud, willful misconduct, or gross negligence by such Exculpated Party as determined by a Final Order of the Bankruptcy Court or the Canadian Court. Effective as of the Effective Date, no Person (including the Liquidation Trustee) shall have any right of action, either direct or derivative of the Estates, against the Exculpated Parties for any Exculpated Actions; provided, however, that notwithstanding anything to the contrary in the Plan, the exculpation of the Debtors' directors are subject to section 5.1(2) of the CCAA.

D. **Injunction**

Upon the occurrence of the Effective Date, all Holders of Claims and Equity Interests and other parties in interest, along with their respective present or former affiliates, employees, agents, attorneys, advisors, officers, directors, partners or principals, to the extent consistent with the Plan, shall be enjoined from taking any actions to interfere

with the implementation of the Plan, and are permanently enjoined and forever barred from taking any action against the Exculpated Parties, Debtor Releasees or Third-Party Releasees, and their respective assets, that is inconsistent with the terms of the Plan, including an injunction from (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any Claims or Equity Interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order on account of or in connection with or with respect to any such Claims or Equity Interests; (c) creating, perfecting, or enforcing any encumbrance of any kind on account of or in connection with or with respect to any such Claims or Equity Interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind on account of or in connection with or with respect to any such Claims or Equity Interests; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Equity Interests released, exculpated, settled or otherwise addressed pursuant to the Plan, except on terms consistent with the Plan.

E. Preservation of Causes of Action

1. Vesting of Retained Causes of Action

Except as otherwise provided in the Plan or Confirmation Order, in accordance with section 1123(b)(3) of the Bankruptcy Code, any Retained Causes of Action that the Debtors or the Estates may hold against any Entity shall vest jointly in the Reorganized Debtors and the Liquidation Trust on the Effective Date in accordance with the Plan and the CCAA Approval Order.

Except as otherwise provided in the Plan or the Confirmation Order, after the Effective Date, the Liquidation Trustee, as the Litigation Representative on behalf of the Liquidation Trust and the Reorganized Debtors, shall have the right to institute, prosecute, abandon, settle, compromise, or otherwise liquidate any Retained Causes of Action, in accordance with the terms of the Plan and/or Liquidation Trust Agreement, as applicable, and without further order of the Bankruptcy Court, in any court or other tribunal, including in an adversary proceeding filed in one or more of the Chapter 11 Cases, or an action filed in any other court of competent jurisdiction.

2. Preservation of all Retained Causes of Action Not Expressly Settled or Exculpated

Unless a Retained Cause of Action against a Person or Entity is expressly waived, relinquished, compromised, or settled in the Plan or any Final Order (including the Confirmation Order, the CCAA Approval Order or the Sale Orders), the Debtors and Liquidation Trust expressly reserve such Retained Causes of Action for later adjudication by the Liquidation Trust and the Debtors (including Retained Causes of Action not specifically identified or described in the Plan, or Retained Causes of Action of which the Debtors may presently be unaware or which may arise or exist by reason of additional facts or circumstances unknown to the Debtors at this time, or facts or circumstances which may change or be different from those the Debtors now believe to exist). Therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable, or otherwise) or laches shall apply to any such Retained Causes of Action upon or after the entry of the Confirmation Order, issuance of the CCAA Approval Order or Effective Date, except where such Retained Causes of Action have been expressly released or exculpated under the Plan, the Confirmation Order, or any other Final Order. In addition, the Liquidation Trust and the Debtors expressly reserve the right to pursue or adopt any claims alleged in any lawsuit in which the Debtors are a defendant or an interested party, against any Entity, including the plaintiffs or co-defendants in such lawsuits, and all such rights are expressly preserved.

F. Protection Against Discriminatory Treatment

In accordance with section 525 of the Bankruptcy Code, and consistent with paragraph 2 of Article VI of the United States Constitution, no Governmental Unit shall discriminate against the Liquidation Trust or any Debtor, as applicable, or any Person with which the Liquidation Trust or any Debtor has been, is, or becomes associated, solely because any of the Debtors was a debtor under chapter 11, may have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases) or has not paid a debt except in accordance with the Plan in the Chapter 11 Cases.

G. Release of Liens

Except as otherwise provided in the Plan or in the Confirmation Order, on the Effective Date all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Debtors, if any, shall be fully released and settled; <u>provided</u>, <u>however</u>, the CCAA Charges shall be released and discharged in the manner provided for in the CCAA Approval Order.

XVI. MODIFICATION REVOCATION OR WITHDRAWAL OF THE PLAN

A. **Modification of the Plan**After entry of the Confirmation Order, the Debtors, with the consent of the Committees and the Monitor (which consent shall not be unreasonably withheld), may amend or modify the Plan in accordance with section 1127(b) of the Bankruptcy Code to remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

Entry of the Confirmation Order shall mean that all modifications or amendments to the Plan approved therein occurring after the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

B. Revocation or Withdrawal of the Plan

The Debtors, after consultation with the Monitor, Creditors' Committee and Equity Committee, reserve the right to revoke or withdraw the Plan before the later of the Confirmation Date and the CCAA Approval Order Date, and to file subsequent chapter 11 plans for any reason. If the Debtors revoke or withdraw the Plan, or if Confirmation or Consummation does not occur with respect to the Plan, then: (a) the Plan will be null and void in all respects; (b) any settlement or compromise embodied in the Plan (including the Global Settlement), assumption or rejection of Executory Contracts effected by the Plan, and any document or agreement executed pursuant thereto shall be null and void in all respects; and (c) nothing contained in the Plan or this Disclosure Statement shall: (i) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtors; or (ii) constitute an admission, acknowledgment, offer or undertaking by the Debtors or any other Person in any respects.

C. **Confirmation**

The Bankruptcy Code requires that, in order to confirm the Plan, the Bankruptcy Court must make a series of findings concerning the Plan and the Debtors, including that (i) the Plan has classified Claims and Equity Interests in a permissible manner; (ii) the Plan complies with applicable provisions of the Bankruptcy Code; (iii) the Debtors have complied with applicable provisions of the Bankruptcy Code; (iv) the Debtors have proposed the Plan in good faith and not by any means forbidden by law; (v) the disclosure required by section 1125 of the Bankruptcy Code has been made; (vi) the Plan has been accepted by the requisite votes of creditors and shareholders (except to the extent that cramdown is available under section 1129(b) of the Bankruptcy Code); (vii) the Plan is feasible; (viii) the Plan is in the "best interests" of all Holders of Claims or Equity Interests in an impaired Class by providing to such Holders on account of their Claims or Equity Interests property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain in a chapter 7 liquidation, unless each Holder of a Claim or Equity Interest in such Class has accepted the Plan; (ix) all fees and expenses payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the hearing on confirmation, have been paid or the Plan provides for the payment of such fees on the Effective Date; and (x) the Plan does not alter any obligation of the Debtors to, after the Effective Date, provide for the continuance of all retiree benefits, as defined in section 1114 of the Bankruptcy Code, at the level established at any time prior to confirmation pursuant to sections 1114(e)(1)(B) or 1114(g) of the Bankruptcy Code, for the duration of the period that the Debtors have obligated themselves to provide such benefits.

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if all of the requirements of the Bankruptcy Code are met.

D. **Acceptance of Plan**

As a condition to confirmation, the Bankruptcy Code requires that each class of impaired claims or interests vote to accept a plan, except under certain circumstances. <u>See</u> "Confirmation Without Acceptance of All Impaired Classes" below. A plan is accepted by an impaired class of interests if Holders of at least two-thirds in number of interests in that class vote to accept the plan. A plan is accepted by an impaired class of claims if Holders of at least two-thirds in dollar amount and more than one-half in number of claims of that class vote to accept the plan. Only those Holders of claims or interests who actually vote count in these tabulations. Holders of Claims or Holders of Interests who fail to vote are not counted as either accepting or rejecting a plan.

In addition to this voting requirement, section 1129 of the Bankruptcy Code requires that a plan be accepted by each Holder of a claim or interest in an impaired class or that the plan otherwise be found by the Bankruptcy Court to be in the best interests of each Holder of a claim or interest in such class. <u>See</u> "Best Interests Test" below. In addition, each impaired class must accept the plan for the plan to be confirmed without application of the "fair and equitable" and "unfair discrimination" tests in section 1129(b) of the Bankruptcy Code discussed below. See "Confirmation Without Acceptance of All Impaired Classes" below.

E. **Confirmation Without Acceptance of All Impaired Classes**

The Bankruptcy Code contains provisions for confirmation of a plan even if the plan is not accepted by all impaired classes, as long as at least one impaired class of claims has accepted it. These so-called "cramdown" provisions are set forth in section 1129(b) of the Bankruptcy Code.

A plan may be confirmed under the cramdown provisions if, in addition to satisfying all other requirements of section 1129(a) of the Bankruptcy Code, it (a) "does not discriminate unfairly," and (b) is "fair and equitable," with respect to each class of claims or interests that is impaired under, and has not accepted, the plan. As used by the Bankruptcy Code, the phrases "discriminate unfairly" and "fair and equitable" have specific meanings unique to bankruptcy law.

In general, the cramdown standard requires that a dissenting class receive full compensation for its allowed claims or interests before any junior class receives any distribution. More specifically, section 1129(b) of the Bankruptcy Code provides that a plan can be confirmed under that section if: (a) with respect to a secured class, (i) the Holders of such claims retain the liens securing such claims to the extent of the allowed amount of such claims and that each Holder of a claim of such class receive deferred cash payments equaling the allowed amount of such claim as of the plan's effective date or (ii) such Holders realize the indubitable equivalent of such claims; (b) with respect to an unsecured claim, either (i) the impaired unsecured creditor must receive property of a value equal to the amount of its allowed claim, or (ii) the Holders of claims and interests that are junior to the claims of the dissenting class may not receive any property under the plan; or (c) with respect to a class of interests, either (i) each Holder of an interest of such class must receive or retain on account of such interest property of a value, equal to the greater of the allowed amount of any fixed liquidation preference to which such Holder is entitled, any fixed redemption price to which such Holder is entitled or the value of such interest, or (ii) the Holder of any interest that is junior to the interest of such class may not receive or retain any property on account of such junior interest.

The "fair and equitable" standard, also known as the "absolute priority rule," requires, among other things, that unless a dissenting unsecured class of claims or a class of interests receives full compensation for its allowed claims or allowed interests, no Holder of claims or interests in any junior class may receive or retain any property on account of such claims or interests. With respect to a dissenting class of secured claims, the "fair and equitable" standard requires, among other things, that Holders either (i) retain their liens and receive deferred cash payments with a value as of the plan's effective date equal to the value of their interest in property of the estate, or (ii) otherwise receive the indubitable equivalent of these secured claims. The "fair and equitable" standard has also been interpreted to prohibit any class senior to a dissenting class from receiving under a plan more than 100% of its allowed claims. The requirement that a plan not "discriminate unfairly" means, among other things, that a dissenting class must be treated substantially equally with respect to other classes of equal rank.

To the extent a Class rejects the Plan, the Debtors may request confirmation of the Plan, as it may be modified from time to time, under the "cramdown" provisions of section 1129(b) of the Bankruptcy Code. The Debtors will also seek confirmation of the Plan over the objection of individual Holders of Claims who are members of an accepting Class.

The Debtors reserve the right to alter, amend, modify, revoke or withdraw the Plan, any exhibit or schedules thereto, or any Plan Document in order to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary, subject to and in accordance with the provisions of the Plan. The Debtors believe that the Plan will satisfy the "cramdown" requirements of section 1129(b) of the Bankruptcy Code. However, there can be no assurance that the Bankruptcy Court will determine that the Plan meets the requirements of section 1129(b) of the Bankruptcy Code.

Among other things, and without limiting the foregoing reservation of rights, to the extent the Bankruptcy Court, the Canadian Court or another court of competent jurisdiction concludes that the Purported Securities Class Action Claim and any other Securities Law Claims purportedly subsumed in it should not be disallowed, the Debtors reserve the right to amend the Plan (with the consent of the Committees) to provide that the Holders of any Allowed Securities Law Claims ultimately share recoveries on a pro rata basis with Holders of Parent Equity Interests from the residual Liquidation Trust Assets remaining after the satisfaction of all other obligations under the Plan, and ask the Bankruptcy Court to confirm the amended plan without resoliciting votes on such amended Plan, including through a cramdown of such Claims in the Chapter 11 Cases.

F. **Best Interests Test**

In order to confirm a plan, a bankruptcy court must independently determine that the plan is in the best interests of each Holder of a claim or interest in any such impaired class who has not voted to accept the plan. Accordingly, if an impaired class does not unanimously accept the plan, the best interests test requires the bankruptcy court to find that the plan provides to each member of such impaired class a recovery on account of the class member's claim or interest that has a value, as of the effective date, at least equal to the value of the distribution that each such member would receive if the debtor was liquidated under chapter 7 of the Bankruptcy Code on such date.

To determine what Holders of Claims in each impaired Class would receive if the Debtors were liquidated under chapter 7, the Bankruptcy Court must determine the dollar amount that would be generated from the liquidation of the Debtors' remaining Assets, including Causes of Action, in the context of a liquidation under chapter 7 of the Bankruptcy Code. The Cash amount that would be available for satisfaction of Claims and Equity Interests would consist of the proceeds resulting from the disposition of the Assets of the Debtors, augmented by the Cash held by the Debtors at the time of the commencement of the chapter 7 case. Such Cash amount would be reduced by the costs and expenses of liquidation and such additional administrative claims that might result from the use of chapter 7 for the purposes of liquidation, including the fees payable to a chapter 7 trustee in bankruptcy, as well as those fees that would be payable to attorneys and other professionals that such a trustee might engage.

After considering the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors in the Chapter 11 Cases, including the costs and expenses of a liquidation under chapter 7 arising from fees payable to a chapter 7 trustee in bankruptcy, the Debtors have determined that confirmation of the Plan will provide each Holder of an Allowed Claim with a recovery that is not less than such Holder would receive pursuant to the liquidation of the Debtors under chapter 7.

G. **Liquidation Analysis**

The Debtors could be liquidated under chapter 7 of the Bankruptcy Code. A discussion of the effect that a chapter 7 liquidation would have on the recoveries of the Holders of Claims is set forth in the hypothetical liquidation analysis (the "Liquidation Analysis") annexed hereto as Exhibit 4.

Underlying the Liquidation Analysis are a number of estimates and assumptions that, although developed and considered reasonable by the Debtors, are inherently subject to significant uncertainties and contingencies beyond the control of the Debtors. The Liquidation Analysis also is based on assumptions with regard to liquidation decisions that are subject to change. Inevitably, some assumptions will not materialize and unanticipated events and circumstances may affect the results of a chapter 7 liquidation of the Debtors. Accordingly, the values reflected might not be realized if the Debtors were, in fact, to be liquidated under chapter 7. All Holders of Claims and Interests that are entitled to vote to accept or reject the Plan are urged to examine carefully all of the assumptions on which the Liquidation Analysis is based in connection with their evaluation of the Plan.

H. **Feasibility**

Under section 1129(a)(11) of the Bankruptcy Code, a debtor generally must demonstrate that confirmation of a chapter 11 plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors (except as proposed in the Plan). The Plan satisfies section 1129(a)(11) of the Bankruptcy Code because it contemplates a global resolution for satisfaction of Claims against the Debtors pursuant to the Global Settlement, followed by the monetization and distribution of the Debtors' remaining assets to Holders of Equity Interests in accordance with the Plan. Because the Plan effects a liquidation of the Estates' remaining assets, following the consummation of the Plan, no further reorganization or liquidation of the Debtors or their successors is possible.

I. **Compliance with the Applicable Provisions of the Bankruptcy Code**

Section 1129(a)(1) of the Bankruptcy Code requires that the Plan comply with the applicable provisions of the Bankruptcy Code. The Debtors have considered each of these issues in the development of the Plan and believe that the Plan complies with all applicable provisions of the Bankruptcy Code.

XVII. ALTERNATIVE TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtors believe the Plan affords Holders of Claims and Equity Interests the potential for the greatest realization on the Debtors' remaining assets and, therefore, is in the best interests of such Holders. If the Plan is not confirmed, the only viable alternatives are dismissal of the Chapter 11 Cases or conversion to chapter 7 of the Bankruptcy Code. Neither of these alternatives is preferable to confirmation and consummation of the Plan.

If the Chapter 11 Cases were dismissed, Holders of Claims and Parent Equity Interests would revert to a "race to the courthouse," the result being that stakeholders would not receive a fair and equitable distribution as contemplated by the Plan. As set forth in the Liquidation Analysis, the Plan provides a recovery to Holders of Claims and Parent Equity Interests no less than that which would be achieved in a case under Chapter 7 of the Bankruptcy Code. Therefore, a Chapter 7 case is not a superior alternative to the Plan. Thus, the Plan represents the best available alternative for maximizing returns to stakeholders.

XVIII. RISK FACTORS

In addition to the other information included in this Disclosure Statement, Holders of Claims or Equity Interests should carefully consider the following risk factors in deciding whether to vote to accept or reject the Plan and whether to elect Option 1 or Option 2. Holders of Claims and Equity Interests should also review and consider the entirety of the Plan and the Plan Supplement in deciding whether to accept or reject the Plan and whether to elect Option 1 or Option 2. Many of these risk factors are beyond the Debtors' control and the effects of which can be difficult to predict.

A. Financial Information; Disclaimer

Although the Debtors have used their best efforts to ensure the accuracy of the financial information provided in this Disclosure Statement, the financial information contained in this Disclosure Statement has not been audited and is based upon an analysis of data available to the Debtors at the time of the preparation of the Plan and this Disclosure Statement. While the Debtors do not currently have any reason to believe that such financial information does not fairly reflect the financial condition of the Debtors, the Debtors are unable to warrant or represent that the information contained herein and attached hereto is without inaccuracies or omissions.

B. The Debtors may not be Able to Obtain Confirmation of the Plan or Issuance of the CCAA Approval Order

The Debtors cannot provide any assurance that they will receive the requisite acceptances to confirm the Plan. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan or Canadian Court will issue the CCAA Approval Order. A non-accepting creditor or equity Holder of the Debtors might challenge the confirmation of the Plan or the balloting procedures and/or voting results as not being in compliance with the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement and the balloting procedures and results are appropriate, the Bankruptcy Court could still decline to confirm the Plan if it finds that any of the statutory requirements for confirmation have not been met, including that the terms of the Plan are fair and equitable to non-accepting Classes. Likewise, the Canadian Court may not issue the CCAA Approval Order if it determines the order does meet the statutory requirements of the CCAA, the CCAA does not authorize the Canadian Court to grant the relief requested in the CCAA Approval Order, the relief is inappropriate in the circumstances, or the relief does not further the purpose of the CCAA, among other reasons.

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, a finding by the Bankruptcy Court that the Plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting Classes and that the value of distributions to non-accepting Holders of Claims or Equity Interests within a particular Class under the Plan will not be less than the value of distributions such Holders would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. While there can be no assurance that these requirements will be met, the Debtors believe that non-accepting Holders within each Class under the Plan will receive distributions no less than that which would be received following a liquidation under chapter 7 of the Bankruptcy Code when taking into consideration all administrative claims and costs associated with any such chapter 7 cases. *See "III. Global Settlement – E. Impact of Global Settlement on Distributions to Creditors and Shareholders"*

C. **The Plan is subject to Conditions Precedent**

The Plan also contains its own conditions precedent to confirmation, including that the SEC Claim shall have been settled in a manner acceptable to the Debtors and Equity Committee, and that the Bankruptcy Court shall have entered an order disallowing the Purported Securities Class Action Claim prior to confirmation.

If the conditions precedent to Confirmation of the Plan and/or the Effective Date are not satisfied, or if the Confirmation Order or CCAA Approval Order is vacated, the Plan shall be null and void in all respects and nothing contained in the Plan or this Disclosure Statement shall (a) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtors; or (b) constitute an admission, acknowledgment, offer or undertaking by the Debtors or any other Person in any respect.

The Debtors reserve their rights to waive these conditions as set forth in Article IX.C of the Plan, or modify the Plan with respect to the SEC Claim or Purported Securities Class Action Claim without resoliciting votes on the Plan; provided, however, that, pursuant to Article IX.D of the Plan, the Debtors may not waive such conditions without the written consent of the Monitor and each of the Committees.

D. Not all Voting Classes may Accept the Plan and the Debtors' ability to Confirm the Plan will depend on Meeting the "Cramdown" Standard under the Bankruptcy Code

The Plan provides treatment for each impaired class of Holders of Claims and Equity Interests entitled to vote on the Plan, as described elsewhere in this Disclosure Statement. A class of Claims accepts a plan if such plan has been accepted by creditors that hold at least two-thirds in amount and more than one-half in number of the Allowed Claims of such Class. A class of Interests accepts a plan if such plan has been accepted by Holders of such Interests that hold at least two thirds in amount of the Allowed Interests of such Class.

In the event that the Plan is not accepted by all impaired classes but is accepted by at least one impaired class of Claims, the Plan may be confirmed under cramdown provisions set forth in section 1129(b) of the Bankruptcy Code, as described elsewhere in this Disclosure Statement.

E. If the Plan or an Alternative Plan is not Confirmed or the CCAA Approval Order is not Granted, the Debtors could be Forced to Convert to Liquidations Under Chapter 7 or the Bankruptcy and Insolvency Act

If the Plan is not confirmed or the CCAA Approval Order is not granted, it is unclear what distributions Holders of Claims or Equity Interests ultimately may receive with respect to their Claims and Equity Interests. If an alternative Plan could not be agreed to, it is possible that the Debtors would convert these Chapter 11 Cases to chapter 7 cases or dismiss these Chapter 11 Cases. Likewise, the stay of proceedings in the CCAA Proceedings could be lifted and the CCAA Proceedings could be converted to liquidation proceedings under the *Bankruptcy and Insolvency Act* or applicable corporate statutes. In either scenario, it is likely that Holders of Claims or Equity Interests would receive substantially less favorable treatment than they would receive under the Plan.

F. Undue Delay in Confirmation or Failure to Confirm the Plan or to Obtain CCAA Approval may Result in Substantial Expenses

In the event that the Plan is not confirmed or the CCAA Approval Order is not granted, the Debtors will incur substantial expenses related to the development and confirmation of a new plan and possibly the approval of a new disclosure statement. This would unnecessarily prolong the administration of the Debtors' assets and negatively affect Creditors' and Shareholders' recoveries on their Claims and Equity Interests.

Similarly, as described above, in the event these Chapter 11 Cases are converted to cases under chapter 7 of the Bankruptcy Code and the CCAA Proceedings are converted to proceedings under the *Bankruptcy and Insolvency Act*, the Debtors will incur substantial expenses related to hiring additional professionals and paying the fees of the chapter 7 trustee and/or a trustee-in-bankruptcy. As the Debtors' tangible assets have already been sold, the additional cost will only serve to reduce distributions to Creditors and Shareholders.

G. The Courts May Not Disallow the Purported Securities Class Action Claim

The disallowance and expungement of the Purported Securities Class Action Claim in its entirety, or its estimation at $0.00, per order of the Bankruptcy Court, Canadian Court, or other court of competent jurisdiction is a condition precedent to Plan confirmation. The Bankruptcy Court, Canadian Court, or other court of competent jurisdiction may not enter such an order, or may allow the Purported Securities Class Action Claim in whole or in part. Accordingly, the Debtors may be unable to confirm the Plan.

H. Actual Recovery or Distribution may Differ from Estimated Recovery and Distribution

The estimated recoveries and distributions to Holders of Equity Interests set forth in this Disclosure Statement are based on various assumptions and subject to certain qualifications or conditions precedent, and the actual amounts of recovery or distribution may significantly differ from the estimates. Should one or more of the underlying assumptions ultimately prove to be inaccurate or incorrect, the actual recovery or distribution may significantly vary from the estimations set forth in this Disclosure Statement.

I. The Treatment of the Individual Securities Damages Claim

The Plan requires, as a condition to its Confirmation, that the Holder of the Individual Securities Damages Claim shall have agreed to the treatment of the Individual Securities Damages Claim as provided under the Plan (including the amount of the Individual Securities Damages Claim Reserve), or (ii) the Individual Securities Damages Claim shall have been estimated at $928,077.31 or some lesser amount pursuant to an order of the Bankruptcy Court or other court of competent jurisdiction entered on or before the Confirmation Date. The Bankruptcy Court may not enter an order estimating the Individual Securities Damages Claim on or before the Confirmation Hearing in such amount. In addition, the Holder of such Claim may disagree with its treatment under the Plan. In such case, the Debtors may be unable to confirm the Plan.

J. Treatment of SEC Claim

The Plan requires, as a condition to its Confirmation, that the SEC, the Debtors and the Equity Committee shall have reached an agreement regarding the treatment of the SEC Claim under the Plan. At this time, there is no resolution of the SEC Claim, however, discussions with among the Debtors, the SEC and the Equity Committee are ongoing. There can be no certainty as to the results of the discussions with the SEC and the Plan; this Disclosure Statement and the CCAA Approval Order may need to be revised as appropriate, to reflect the status of discussions among the Debtors, the SEC and the Equity Committee or any resolution, or lack thereof, of the SEC Claim.

K. Delays of Confirmation or Effective Date

Any delays of either confirmation or effectiveness of the Plan could result in, among other things, increased administrative costs, including Fee Claims. Excessive delays or the inability to confirm or consummate a plan may result in conversion of the Chapter 11 Cases to chapter 7 liquidations and the CCAA Proceedings to proceedings under the *Bankruptcy and Insolvency Act*. *See Risk Factor "B. The Debtors may not be Able to Obtain Confirmation of the Plan or Issuance of the CCAA Approval Order" above*

L. **The Canadian Court may not issue the CCAA Approval Order Notwithstanding Confirmation of the Plan by the Bankruptcy Court**

It is a condition to occurrence of the Effective Date of the Plan that the Canadian Court shall have issued the CCAA Approval Order in form and substance acceptable to the Debtors, the Monitor and the Committees, and such order shall not be subject to a stay. The failure of the Canadian Court to do so would result in the Plan not becoming effective notwithstanding confirmation by the Bankruptcy Court. *See Risk Factor "E. If the Plan or an Alternative Plan is not Confirmed or the CCAA Approval Order is not Granted, the Debtors could be Forced to Convert to liquidations under Chapter 7 or the Bankruptcy and Insolvency Act" above*.

M. **Certain Bankruptcy Considerations**

There are inherent risks and uncertainties involved in the Bankruptcy Proceedings, including the degree of cooperation among the Debtors, the Creditors' Committee, the Equity Committee, the Monitor and other stakeholders, the extent of the Debtors' ability to meet certain obligations during the Bankruptcy Proceedings, risks associated with third-party motions in the Bankruptcy Proceedings, and increased legal and advisory costs related to the Bankruptcy Proceedings and other litigation and regulatory actions.

There can be no assurance that modifications of the Plan or CCAA Approval Order will not be required for acceptance and confirmation or that such modifications would not necessitate the resolicitation of votes on the Plan.

N. **Retained Causes of Action May Have No Value**

The Shareholder Distributable Assets include various Estate Retained Causes of Action that will vest with the Parent Debtor and the Liquidation Trust, and that will be jointly owned by the Parent Debtor and the Liquidation Trust. Causes of Action are inherently difficult to value, and any such Cause of Action may prove to have limited or zero value. In addition, litigating Causes of Action is a time consuming and expensive process. Accordingly, even if the Retained Causes of Action have some value, Holders of Parent Equity Interests may not realize any proceeds from such litigation for many years, if at all. Moreover, the cost of litigating such Retained Causes of Action is expensive, and may be done on a contingent fee basis. The net proceeds distributable to Holders of Parent Interests may therefore prove considerably less than amounts awarded on account of, or recovered from, the Retained Causes of Action.

The Debtors have not analyzed the merits or otherwise valued of any of the Retained Causes of Action that may be transferred in whole or in part to the Liquidation Trust nor can there be any assurance under Ontario, British Columbia or other Canadian Law, if applicable, as to the effectiveness or ability to transfer any such Retained Causes of Action, in whole or in part, or that such transfers might not provide the putative defendants with potential defenses or positions they would not otherwise have.

O. No Duty to Update

The statements contained in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Debtors have no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

P. No Representations Outside This Disclosure Statement Are Authorized

No representations concerning or related to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement should not be relied upon by you in arriving at your decision.

Q. The Liquidation Trust Beneficial Interests May Not Be Exempt From Registration

The Liquidation Trust Beneficial Interests will be issued without registration under the U.S. Securities Act of 1933, 15 U.S.C. Sections 77A-77AA, together with the rules and regulations promulgated thereunder (the "Securities Act"), or similar U.S., Canadian, federal, state, provincial or local laws to persons resident or located in the U.S. in reliance on the exemptions set forth in section 1145 of the Bankruptcy Code. To the extent the exemptions from registration under section 1145 of the Bankruptcy Code or other applicable laws do not apply, the Liquidation Trust Beneficial Interests may not be offered or issued to persons resident or otherwise located in the U.S. except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. No assurances can be given that the Liquidation Trust Beneficial Interests are exempt from the registration requirements of the Securities Act pursuant to section 1145 of the Bankruptcy Code. Further, the issuance of the Liquidation Trust Beneficial Interests may give rise to certain reporting and disclosure requirements and obligations in accordance with applicable Canadian Securities Laws notwithstanding receipt of the CCAA Approval Order. The Canadian Securities Regulators may determine that exemptive relief from applicable Canadian Securities Laws is required and there can be no assurance that the appropriate exemptive relief will be granted in a timely manner or at all. *See "X. Implementation of the Plan – E. The Liquidation Trust – 9. Liquidation Trust Securities Law Matters."***No Legal, Business, Financial or Tax Advice Is Being Provided To You By This Disclosure Statement**

The contents of this Disclosure Statement should not be construed as legal, business, financial or tax advice. Each Claim or Equity Interest Holder should consult his, her, or its own legal counsel and accountant as to legal, financial, tax, and other matters concerning his, her, or its Claim or Equity Interest.

This Disclosure Statement is not legal advice to you. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

S. **Regulatory Compliance**

In accordance with applicable Canadian Securities Laws, the Parent Debtor is considered to be a "reporting issuer" (as such term is defined in the *Securities Act* (Ontario)). As a result of, among other things, the delayed filing of its Annual Report, including its annual audited financial statements for the fiscal year ended May 31, 2016 and the related management's discussion and analysis, the Parent Debtor is in default of the filing requirements under applicable Canadian Securities Laws. Following the Effective Date, the Reorganized Parent Debtor will continue to exist under applicable corporate laws and is expected to remain a reporting issuer. Further, to the extent that the Liquidation Trust Beneficial Interests are deemed or determined to be "securities," the Canadian Securities Regulators may determine the Liquidation Trust to be a reporting issuer. Reporting issuers are subject to reporting and disclosure requirements and obligations under applicable Canadian Securities Laws. It is not expected that the Reorganized Parent Debtor or the Liquidation Trust will be in a position to comply with applicable Canadian Securities Laws for the duration of the CCAA Proceedings or in the future and therefore, the Canadian Securities Regulators may determine it necessary for the Parent Debtor and/or the Liquidation Trust to seek exemptive relief from the Canadian Securities Regulators in order to give effect to the Plan and the transactions contemplated thereby. As a result, there can be no assurance that the appropriate exemptive relief will be granted in a timely manner or at all. An application for exemptive relief may cause significant delays in Confirmation and consummation of the Plan and additional costs and expenses will be incurred by the Debtors' Estates.

T. **Neither Option for Receiving Plan Distributions May Favorably Affect the Tax Obligations of Holders of Parent Equity Interests**

The Plan provides Holders of Parent Equity Interests with two options for receiving their distributions. The Debtors, after consultation with the Committees and the Monitor, included such options to mitigate against potential adverse tax consequences that the Reorganized Parent Debtor and Holders of Parent Equity Interests may suffer if distributions were made directly to Holders. The Plan options can result in different tax implications for the Holders of Parent Equity Interests, and such implications may or may not be favorable to the Holders. Given the complexity of cross-border tax implications, no assurances can be given that the Plan options are the best options available to Holders of Parent Equity Interests, that either option will mitigate adverse tax implications for such Holders, or that the Plan options will otherwise impact or effect – positively or negatively – a Holder's tax obligations. Finally, if a Holder of Parent Equity Interests elects to receive Beneficial Trust Interests under the Plan, and is subsequently determined to be a Canadian Holder of Parent Equity Interests, and it is determined that the Liquidation Trust may be subject to adverse Canadian tax consequence as a result, then any transfer of Beneficial Trust Interests to such Holder and the cancellation of such Holder's Parent Equity Interests shall be *void ab initio* and the Reorganized Parent Debtor, the Holder and the Liquidation Trust shall each treat such Holder at all times as if such Holder had elected Option 2. *See Risk Factor "X. Canadian Shareholders Who Elect Option 1 and Receive Beneficial Trust Interests" below.*

U. Significant U.S. Tax Liabilities May Have Resulted From the Sale

As of the closing of the Sale, the U.S. Debtors retained significant Tax Assets. Section 382 of the Tax Code limits a corporation's utilization of Tax Assets following a "50-percent ownership change."

Bybrook participated in trades in the Parent Debtor's equity securities that could have materially impaired the Tax Assets. More specifically, Bybrook executed transactions that would have caused a Section 382 Ownership Change if left unremedied. On July 12, 2017, the Parent Debtor and Bybrook entered into the Bybrook Stipulation pursuant to which Bybrook agreed to dispose of certain of the Parent Debtor's equity securities that it had acquired. The stipulation also acknowledged the trades were void *ab initio*, [Docket No. 1187]. The Bankruptcy Court approved the Bybrook Stipulation on July 13, 2017 [Docket No. 1192] and Bybrook has confirmed that it has completed the sales contemplated thereby.

Had the U.S. Debtor undergone a Section 382 Ownership Change because of Bybrook's purchases, or for any other reason, the U.S. Debtors could have faced significant cash tax liabilities in connection with the Sale. The Reorganized Parent Debtor intends to take the position that the implementation of the transactions described in the Bybrook Stipulation eliminates any potential adverse tax consequences arising from a potential Section 382 Ownership change resulting from the Bybrook stock acquisitions, consistent with private rulings that the Service has given other taxpayers in similar circumstances. However, private rulings may be relied upon only by the recipient; therefore, the existing rulings are not substantive authority on which the U.S. Debtors can rely, and the Debtors do not intend to seek a ruling from the Service with respect to the Bybrook purchases or the transactions contemplated by the Bybrook Stipulation. Thus, there can be no assurance that the Bybrook purchases did not impair the Tax Assets of the U.S. Debtors. Furthermore, because the rules under section 382 of the Tax Code are highly complex, no assurance can be given that another transaction has not triggered, or will not trigger, a Section 382 Ownership Change prior to the implementation of the Plan. *See Article VIII.B. – Preservation of Certain Tax Assets*.

V. The Plan Transactions may result in material U.S. federal tax liabilities to the U.S. Debtors

The U.S. Debtors do not expect material U.S. federal income tax liabilities to arise as a result of the Plan Transactions. The Plan provides that to the extent Cash or Assets of the U.S. Debtors are required to be distributed by the Reorganized Parent Debtor to Holders of Parent Equity Interests, such Cash or Assets shall be transferred from the U.S. Debtors to the Reorganized Parent Debtor in satisfaction of Intercompany Claims pursuant to the Plan. The U.S. Debtors intend to take the position that the Intercompany Claims are respected as indebtedness of the U.S. Debtors for U.S. federal income tax purposes, and, as such, the U.S. Debtors do not expect any U.S. federal tax liability to arise as a result of the transfer of Cash and Assets from the U.S. Debtors to the Reorganized Parent Debtor in repayment of the Intercompany Claims. No assurance can be given, however, that the Service or any other taxing authorities will respect the Intercompany Claims or the form of the Plan Transactions, in which case material U.S. federal tax may apply to the Plan Transactions.

W. The Transactions with the Liquidation Trust may be challenged by the Service

Pursuant to the Plan, each Holder of Parent Equity Interests may elect to receive non-transferrable Beneficial Trust Interests (and a right to receive its Pro Rata share of any other Shareholder Distributable Assets in accordance with the Plan) in cancellation of all of such U.S. Holder's Parent Equity Interests. For U.S. income tax purposes, the Debtors intend to treat the transaction consistent with its form and take the position that a U.S. Holder of Parent Equity Interests that elects Option 1 will be treated as receiving Beneficial Trust Interests and cash distributions in complete redemption of such U.S. Holder's Parent Equity Interests as described below under "*– U.S. Federal Income Tax Consequences to U.S. Holders of Parent Equity Interests Electing Option 1 – Distributions in Redemption of Parent Equity Interests.*" However, there is no authority addressing an arrangement with terms such as those contained in Option 1 or the ongoing arrangements between the Reorganized Parent Debtor and the Liquidation Trust and, therefore, no assurance can be given that the Service would not assert, or that a court would not sustain, a position contrary to such treatment. In the event of such an outcome, U.S. Holders who elect Option 1 could be treated as receiving distributions from the Liquidation Trust, if any, as if such distributions were made by the Reorganized Parent Debtor on Parent Equity Interests as discussed under *"–U.S. Federal Income Tax Consequences to U.S. Holders of Parent Equity Interests Electing Option 2 - Distributions on Parent Equity Interests."*

X. Liquidation Trust Beneficiaries may incur income tax liability regardless of whether cash distributions are made by the Liquidation Trust.

Liquidation Trust Beneficiaries could be required to recognize income in a taxable year for U.S. federal income tax purposes, even if the Liquidation Trust either distributes no cash or other assets in such year or distributes cash or other assets in such year in an amount that is less than the amount of such income. It is anticipated that the Liquidation Trust will allow for tax distributions to be made to U.S. Holders of Beneficial Trust Interests in the event a Liquidation Trust Beneficiary recognizes income or gain from the Liquidation Trust; however, there can be no assurance that any such distribution will be sufficient to satisfy all tax liabilities of a U.S. Holder arising from ownership of Beneficial Trust Interests.

Y. Clearance Certificates and Comfort Letters

In addition, prior to making certain distributions to Holders of Parent Equity Interests, the Plan requires the receipt of one or more Clearance Certificates from the CRA and other applicable tax authorities. Further, until the Monitor is in receipt of the Comfort Letters, the Monitor, as Distribution Agent, shall be under no obligation to make any distributions on account of any Allowed Claims.

The regulatory environment governing distributions on account of the Parent Debtor's securities is complex, and compliance with applicable non-bankruptcy law (including obtaining any Clearing Certificates and Comfort Letters) may cause significant delay in distributions to Holders of Parent Equity Interests, and additional costs and expenses being incurred by the Debtors' Estates.

Z. The Plan Transactions may result in material Canadian federal and provincial tax liabilities

Subject to the comments that follow, the Canadian Debtors do not currently anticipate material Canadian federal or provincial income tax liabilities to arise as a result of the Plan Transactions. The Plan provides that the Liquidation Trust Assets will be deemed to be distributed to Holders of Allowed Parent Equity Interests who elect Option 1 followed immediately by a deemed contribution by such Holders of the Liquidation Trust Assets to the Liquidation Trust. The transfer of such Liquidation Trust Assets within the Debtor group and/or the distribution of such Liquidation Trust Assets in respect of Holders of Allowed Parent Equity Interests who elect Option 1 may result in Canadian federal and provincial income tax consequences to one or more of the Canadian Debtors (including the realization of income or gain). The precise Canadian and provincial income tax consequences to the Canadian Debtors in this regard will depend on a number of factors, including the nature of the Liquidation Trust Assets, where such Liquidation Trust Assets are held within the Debtor corporate group, and the value of such Liquidation Trust Assets. A good faith determination of the value of the Liquidation Trust Assets will be made, in accordance with the Plan, and that amount will be used, along with an assessment of any other relevant factors, in determining the Canadian federal and provincial income tax consequences to the Canadian Debtors of transferring any such Liquidation Trust Assets within the Debtor corporate group and of distributing such Liquidation Trust Assets to Holders of Allowed Parent Equity Interests who elect Option 1. This determination of the value of the Liquidation Trust Assets, and the reporting position taken by the Canadian Debtors with respect to the transfer or distribution of such Liquidation Trust Assets, will not be binding on the Canada Revenue Agency (or any other relevant taxing authority) and there can be no assurance that the Canada Revenue Agency (or other relevant taxation authority) will agree with such determination of value or any reporting position taken by the Company in this respect or otherwise with respect to implementation of the Plan Transactions, in which case material Canadian federal or provincial income tax may arise.

In addition, the Canadian Debtors may realize income or gain in connection with any proceeds to which they are entitled on the settlement or determination of any litigation claims and may be subject to material Canadian or provincial income tax as a result.

AA. Canadian Shareholders Who Elect Option 1 and Receive Beneficial Trust Interests

Pursuant to the Plan, Holders of Parent Equity Interests may elect to receive Beneficial Trust Interests (and a right to receive their Pro Rata share of the Liquidation Trust Expense Reserve and any other Shareholder Distributable Assets in accordance with the Plan) in exchange for all of such holders' Parent Equity Interests. The Canadian tax consequences of such alternative are uncertain, though such consequences are generally expected to be adverse (subject to the comment below with respect to the acceleration of any loss). These uncertainties include those with respect to the character for Canadian tax purposes of any return realized by a holder of Beneficial Trust Interests (which character may be different than the return to Holders who retain their Parent Equity Interests). In addition, see the discussion under the heading "*Canadian Tax Consequences of Liquidation Trust is Uncertain*". However, notwithstanding such uncertainty, a Holder of Parent Equity Interests may be able to accelerate the realization of any loss such Holder has in respect of their Parent Equity Interests by electing Option 1. Therefore, Canadian-resident Holders who are considering making such election are strongly urged to consult their own tax advisors for advice having regard to their own particular circumstances.

BB. **Canadian Tax Consequences of Liquidation Trust is Uncertain**

The treatment for Canadian income tax purposes of the Liquidation Trust and of a Holder's Beneficial Trust Interest in such Liquidation Trust is unclear. The Liquidation Trust may be deemed, for certain purposes of the Tax Act, to be resident in Canada. To the extent the Liquidation Trust realizes any income or capital gain (including with respect to Liquidation Trust Assets), the Liquidation Trust may be liable for Canadian income tax on such income or gains if the Liquidation Trust does not qualify as an "exempt foreign trust" and less than all of such income or gain is not paid or made payable to the beneficiaries in the relevant taxation year. The Liquidation Trust should qualify as an exempt foreign trust if the only beneficiaries of the Liquidation Trust who may receive income or capital of the Liquidation Trust are beneficiaries that hold an interest in the Liquidation Trust that qualify as a "fixed interest" and each such fixed interest that is outstanding was issued by the Liquidation Trust in exchange for consideration that was not less than 90% of the interest's proportionate share of the net asset value of property at the time of issuance. For these purposes a "fixed interest" would generally include an interest in the Liquidation Trust where no amount of the income or capital of the Liquidation Trust to be distributed at any time in respect of any interest in the Liquidation Trust depends on a person exercising (or failing to exercise) any discretionary power other than a power in respect of which it is reasonable to conclude that (a) the power is consistent with normal commercial practice, (b) the power is consistent with terms that would be acceptable to beneficiaries under the Liquidation Trust if the beneficiaries were dealing with each other at arm's length, and (c) the exercise of, or failure to exercise, the power will not materially affect the value of an interest as a beneficiary under the Liquidation Trust relative to the value of other such interests under the Liquidation Trust.

In addition, in the event that the Liquidation Trust does not qualify as an exempt foreign Trust, Holders of a Beneficial Trust interest that are not resident in Canada (including U.S. holders) may be subject to 25% Canadian withholding tax in respect of distributions from the Liquidation Trust. No assurances can be given that the Liquidation Trust will qualify as an "exempt foreign trust" for these purposes.

Alternatively, if the Liquidation Trust does qualify as an "exempt foreign trust", the Liquidation Trust may, for certain purposes of the Tax Act, be deemed to be a non-resident corporation and the beneficiaries of the Liquidation Trust deemed to be shareholders. This deeming rule should not result in any Canadian tax consequence for a U.S.-resident Holder of a Beneficial Trust Interest, but may require Canadian–resident Holders (and certain other categories of persons or entities, including controlled foreign affiliates of Canadian residents or partnerships of which a Canadian resident person is a member) of a Beneficial Trust Interest in the Liquidation Trust to include in their income for Canadian tax purposes their proportionate share of any "foreign accrual property income" of the Liquidation Trust on a current basis in certain circumstances. Any such Holders who are considering electing Option 1 are advised to consult their tax advisor for advice having regard to their own particular circumstances.

XIX. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A summary description of certain material U.S. federal income tax consequences of the Plan is provided below. This description is for informational purposes only and, due to a lack of definitive judicial or administrative authority or interpretation, substantial uncertainties exist with respect to various tax consequences of the Plan as discussed herein. Only the principal consequences of the Plan to the U.S. Debtors and to U.S. Holders of Parent Equity Interests and General Unsecured Claims who hold the Parent Equity Interests and General Unsecured Claims as capital assets are discussed herein. No opinion of counsel has been sought or obtained with respect to any tax consequences of the Plan. No rulings or determinations of the United States Internal Revenue Service (the "Service") or any other tax authorities have been sought or obtained with respect to any tax consequences of the Plan, and the discussion below is not binding on the Service or any other authority. As a result, there can be no assurance that the Service will not disagree with or challenge any of the conclusions reached and described herein and that a court would not sustain such a challenge. Events occurring after the date of this Disclosure Statement, including changes in law and changes in administrative positions, could affect the U.S. federal income tax consequences of the Plan. No representations are being made regarding the particular tax consequences of the confirmation and consummation of the Plan to the Debtors or any U.S. Holder.

Except as otherwise specifically stated herein, this summary does not address any estate or gift tax consequences of the Plan or tax consequences of the Plan under any state, local or non-U.S. laws. Furthermore, this discussion does not address all tax considerations that might be relevant to particular U.S. Holders in light of their personal circumstances or to persons that are subject to special tax rules. In addition, this description of the material U.S. federal income tax consequences does not address the tax treatment of special classes of U.S. Holders, such as: financial institutions, regulated investment companies, real estate investment trusts, tax-exempt entities, insurance companies, persons holding Equity Interests as part of a hedging, integrated or conversion transaction, constructive sale or "straddle," U.S. expatriates, persons subject to the alternative minimum tax, dealers or traders in securities or currencies, persons holding deferred compensation or other wage claims.

For purposes of this discussion, a "U.S. Holder" is a Holder who is: (1) an individual citizen or resident of the United States for U.S. federal income tax purposes; (2) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (4) a trust (A) if a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If a pass-through entity, including a partnership or other entity taxable as a partnership for U.S. federal income tax purposes, is a Holder, the tax treatment of a partner or other owner will generally depend upon the status of the partner (or other owner) and the activities of the entity. If a person is a partner (or other owner) of a pass-through entity that is a Holder, such person is urged to consult its tax advisor regarding the tax consequences of the Plan to its particular situation.

The following discussion is based upon the Internal Revenue Code of 1986, as amended (the "Tax Code"), U.S. judicial decisions, administrative pronouncements and existing and proposed Treasury Regulations, all as in effect as of the date hereof. All of the preceding authorities are subject to change, possibly with retroactive effect, so as to result in U.S. federal income tax consequences different from those discussed below.

The following discussion is for general information only and is not intended to be, nor should it be construed to be, legal or tax advice to any U.S. Holder and no opinion or representation with respect to the U.S. federal income tax consequences to any such U.S. Holder is made. U.S. Holders are urged to consult their own tax advisors regarding the application of U.S. federal, state and local tax laws, as well as any applicable non-U.S. tax laws, to their particular situation.

A. U.S. Federal Income Tax Consequences of the Plan Transactions to the U.S. Debtors

The U.S. Debtors do not expect material U.S. federal income tax liabilities to arise as a result of the Plan Transactions. The Plan provides that to the extent Cash or Assets of the U.S. Debtors are required to be distributed by the Reorganized Parent Debtor to Holders of Parent Equity Interests, such Cash or Assets shall be transferred from the U.S. Debtors to the Reorganized Parent Debtor in satisfaction of Intercompany Claims pursuant to the Plan. The U.S. Debtors intend to take the position that the Intercompany Claims are respected as indebtedness of the U.S. Debtors for U.S. federal income tax purposes, and, as such, the U.S. Debtors do not expect any U.S. federal tax liability to arise as a result of the transfer of Cash and Assets from the U.S. Debtors to the Reorganized Parent Debtor in repayment of the Intercompany Claims. No assurance can be given, however, that the Service or any other taxing authorities will respect the Intercompany Claims or the form of the Plan Transactions, in which case material U.S. federal tax may apply to the Plan Transactions.

B. U.S. Federal Income Tax Consequences to U.S. Holders of General Unsecured Claims

Pursuant to the Plan, each U.S. Holder of a General Unsecured Claim will receive Cash in satisfaction of its respective Claims. The U.S. federal income tax consequences of the Plan to holders of General Unsecured Claims, including the character, amount and timing of income, gain or loss recognized as a consequence of the Plan and the distributions provided for by the Plan, generally will depend upon, among other things, (i) the manner in which a U.S. Holder acquired a General Unsecured Claim; (ii) the length of time a General Unsecured Claim has been held; (iii) whether the General Unsecured Claim was acquired at a discount; (iv) whether the U.S. Holder has taken a bad debt deduction in the current or prior years; (v) whether the U.S. Holder has previously included accrued but unpaid interest with respect to a General Unsecured Claim; (vi) the U.S. Holder's method of tax accounting; (vii) whether the U.S. Holder will realize foreign currency exchange gain or loss with respect to a General Unsecured Claim; (viii) whether a General Unsecured Claim is an installment obligation for federal income tax purposes;

and (ix) whether the transaction is treated as a "closed transaction." Therefore, U.S. Holders of General Unsecured Claims are urged to consult their tax advisors for information that may be relevant to their particular situation and circumstances and the particular tax consequences to such U.S. Holder as a result thereof. In particular, General Unsecured Claims that arise in the ordinary course of a U.S. Holder's trade or business may not be treated as capital assets and, in such case, the gain or loss attributable to such General Unsecured Claims would be treated as ordinary income.

A U.S. Holder generally will recognize U.S. source capital gain or loss in an amount equal to the difference between the amount realized (the amount of Cash received in satisfaction of such U.S. Holder's Claim) and the U.S. Holder's adjusted tax basis in its General Unsecured Claim (other than Claims for accrued but unpaid interest). *See* discussion below in *"— U.S. Federal Income Tax Consequences to U.S. Holders of General Unsecured Claims — Payment for Accrued but Unpaid Interest."* Generally, such gain or loss would be long-term capital gain or loss if the U.S. Holder held the Claim as a capital asset and such U.S. Holder held such Claim for more than one year, unless the U.S. Holder previously claimed a bad debt or worthless securities deduction or had accrued market discount with respect to the Claim (See discussion below in *"— U.S. Federal Income Tax Consequences to U.S. Holders of General Unsecured Claims –Market Discount*). Long-term capital gain recognized by certain non-corporate U.S. Holders, including individuals, generally is subject to tax at a reduced rate. The deductibility of capital losses is subject to limitations.

1. <u>Payment for Accrued but Unpaid Interest</u>

Under the Plan, some Cash may be distributed or deemed distributed to certain U.S. Holders of General Unsecured Claims with respect to their Claims for accrued interest. U.S. Holders of General Unsecured Claim for accrued interest that have not previously included such accrued interest in income will be required to recognize ordinary income equal to the amount of Cash received with respect to such General Unsecured Claim for accrued interest. Conversely, a U.S. Holder will generally recognize a deductible loss to the extent that any accrued interest was previously included in income and is not paid in full. Pursuant to the Plan, the Debtors will allocate for U.S. federal income tax purposes all distributions in respect of any General Unsecured Claim first to the principal amount of such General Unsecured Claim, and thereafter to accrued but unpaid interest. Certain legislative history indicates that an allocation of consideration between principal and interest provided for in a bankruptcy plan of reorganization is binding for U.S. federal income tax purposes. However, no assurance can be given that the Service will not challenge such allocation. If a distribution with respect to a General Unsecured Claim is entirely allocated to the principal amount of such General Unsecured Claim, a holder may be entitled to claim a loss to the extent of any accrued but unpaid interest on the Claim that was previously included in the holder's gross income. U.S. Holders of General Unsecured Claims are urged to consult their own tax advisors regarding the particular U.S. federal income tax consequences to them of the treatment of accrued but unpaid interest, as well as the character of any loss claimed with respect to accrued but unpaid interest previously included in gross income.

2. Market Discount

The market discount provisions of the Tax Code may apply to certain U.S. Holders of General Unsecured Claims. In general, a debt obligation other than a debt obligation with a fixed maturity of one year or less that is acquired by a holder in the secondary market (or, in certain circumstances, upon original issuance) is a "market discount bond" as to that holder if its stated redemption price at maturity (or, in the case of a debt obligation having original issue discount, the revised issue price) exceeds the adjusted tax basis of the debt obligation in the holder's hand immediately after its acquisition by more than a statutory *de minimis* amount. Gain recognized by a creditor with respect to a "market discount bond" will generally be treated as ordinary interest income to the extent of the market discount accrued on such debt obligation during the creditor's period of ownership, unless the creditor elected to include accrued market discount in taxable income currently. A holder of a market discount bond may be required under the market discount rules of the Tax Code to defer deduction of all or a portion of the interest on indebtedness incurred or maintained to acquire or carry the bond. In such circumstances, the holder may be allowed to deduct such interest, in whole or in part, on the disposition of such bond.

C. **U.S. Federal Income Tax Consequences to U.S. Holders of Parent Equity Interests Electing Option 1**

1. Distributions in Redemption of Parent Equity Interests

(a) Characterization of Transactions

Pursuant to the Plan, each U.S. Holder of Parent Equity Interests may elect to receive Beneficial Trust Interests, (and a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with the Plan) in cancellation of all of such U.S. Holder's Parent Equity Interests. The Debtors intend to treat the transaction consistent with its form and take the position that a U.S. Holder of Parent Equity Interests that elects Option 1 will be treated as receiving Beneficial Trust Interests and cash distributions in complete redemption of such U.S. Holder's Parent Equity Interests as described below under "*– U.S. Federal Income Tax Consequences to U.S. Holders of Parent Equity Interests Electing Option 1 – Distributions in Redemption of Parent Equity Interests."* However, there is no authority addressing an arrangement with terms such as those contained in Option 1 or the ongoing arrangements between the Reorganized Parent Debtor and the Liquidation Trust and, therefore, no assurance can be given that the Service would not assert, or that a court would not sustain, a position contrary to such treatment. In the event of such an outcome, U.S. Holders who elect Option 1 could be treated as receiving distributions from the Liquidation Trust, if any, as if such distributions were made by the Reorganized Parent Debtor on Parent Equity Interests as discussed under *"–U.S. Federal Income Tax Consequences to U.S. Holders of Parent Equity Interests Electing Option 2 - Distributions on Parent Equity Interests."*

(b) Distributions in Redemption of Parent Equity Interests

Subject to the discussion below under *"—Passive Foreign Investment Company (PFIC) Considerations,"* and assuming the form of the transaction is respected, a U.S. Holder would recognize U.S. source capital gain or loss in an amount equal to the difference between the amount realized (the sum of cash distributions received or treated as received from the Reorganized Parent Debtor and the fair market value of such U.S. Holder's Pro Rata share of Liquidation Trust Assets) and the U.S. Holder's adjusted tax basis in its Parent Equity Interests. Such gain or loss would be long-term capital gain or loss if the U.S. Holder held the Parent Equity Interests for more than one year as of the date of the final distribution such U.S. Holder receives in respect of its Parent Equity Interests. Long-term capital gain recognized by certain non-corporate U.S. Holders, including individuals, generally is subject to tax at a reduced rate. The deductibility of capital losses is subject to limitations.

The gross amount of distributions paid in any non-U.S. currency will be included by each U.S. Holder in gross income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the distributions are actually or constructively received, regardless of whether the payment is in fact converted into U.S. dollars. If the non-U.S. currency is converted into U.S. dollars on the date of receipt, the U.S. Holder should not be required to recognize any "foreign currency gain or loss" with respect to the receipt of the non-U.S. currency distributions. If the non-U.S. currency received is not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a tax basis in the non-U.S. currency equal to the U.S. dollar value on the date of receipt. Any foreign currency gain or loss realized on a subsequent conversion or other disposition of the non-U.S. currency will be treated as U.S. source ordinary income or loss. The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution.

(c) Distributions of Liquidation Trust Assets

As discussed below under *" -- U.S. Federal Income Tax Treatment of the Liquidation Trust and Liquidation Trust Beneficiaries"*, the Liquidation Trust is intended to qualify as a "grantor trust" for U.S. federal income tax purposes. Accordingly, each U.S. Holder of a Parent Equity Interest is intended to be treated for U.S. federal income tax purposes as directly receiving, and as a direct owner of, its Pro Rata share of Liquidation Trust Assets and then contributing such assets to the Liquidation Trust in exchange for the Beneficial Trust Interests. Pursuant to the Plan, the Liquidation Trustee will in good faith value the assets transferred to the Liquidation Trust, and all parties to the Liquidation Trust (including U.S. Holders of Parent Equity Interests receiving Beneficial Trust Interests) must consistently use such valuation for all U.S. federal income tax purposes.

After the Effective Date, a U.S. Holder's share of any collections received on the Liquidation Trust Assets would not be included, for U.S. federal income tax purposes, in the U.S. Holder's amount realized in respect of its complete redemption of Parent Equity Interests on the Effective Date, but would instead be separately treated as amounts realized in respect of such U.S. Holder's ownership interest in the Liquidation Trust Assets. Because substantially all of the assets of the Liquidation Trust will be Retained Causes of Action, consistent with a private ruling that the Service gave another taxpayer in a similar circumstance, it is anticipated that the Liquidation Trustee will take the position that the origin of the claim doctrine will apply to characterize the income, if any, realized by a U.S. Holder of Beneficial Trust Interests as received in respect of its Allowed Claim for Parent Equity Interests and will be reported as capital gain. However, private rulings may be relied upon only by the recipient, and, therefore, the private ruling is not substantive authority on which U.S. Holders or the Liquidation Trustee can rely, and the Liquidation Trustee does not intend to seek a ruling from the Service with respect to the character of income received on the Liquidation Trust Assets. There can be no assurance that the Service will not assert that such income is ordinary or that such a challenge would be unsuccessful. *See* "*U.S. Federal Income Tax Treatment of the Liquidation Trusts and Liquidation Trust Beneficiaries*" below.

2. Recharacterization of Distributions Other than in Redemption of Parent Equity Interests

If the Reorganized Parent Debtor's position regarding the treatment of the distributions, if any, to U.S. Holders were not respected, the U.S. federal income tax consequences of distributions to U.S. Holders electing Option 1 would be as described below under "*—U.S. Federal Income Tax Consequences to U.S. Holders of Parent Equity Interests Electing Option 2 – Distributions on Parent Equity Interests.*"

D. U.S. Federal Income Tax Consequences to U.S. Holders of Parent Equity Interests Electing Option 2

1. Distributions on Parent Equity Interests

It is uncertain whether distributions to a U.S. Holder that elects to retain its Parent Equity Interests under Option 2 will be treated as dividends or liquidating distributions made in exchange for its Parent Equity Interests. This determination will depend in part on the timing of the distributions that are made to such U.S. Holders. The Debtors have not yet determined how such distributions will be reported for U.S. federal income tax purposes. Subject to the discussion under *"-- Passive Foreign Investment Company (PFIC) Considerations"* below, the gross amount of any distribution paid on the Parent Equity Interests other than in redemption of the Parent Equity Interests will generally be subject to U.S. federal income tax as dividend income to the extent paid out of the Debtors' current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Such amount will be includable in gross income by a U.S. Holder as ordinary income on the date such U.S. Holder actually or constructively receives the distribution. It is anticipated that dividends paid by the Debtors will not be eligible for the dividends received deduction generally allowed to U.S. Holders that are corporations.

Under current law, certain dividends paid by non-U.S. corporations to non-corporate U.S. Holders are eligible for taxation at reduced rates. A non-U.S. corporation is treated as a "qualified foreign corporation" with respect to dividends paid by that corporation that is eligible for benefits of certain income tax treaties with the United States or a corporation the ordinary shares of which are readily tradeable on an established securities market in the United States. The Reorganized Parent Debtor is uncertain whether it will qualify for the benefits of the U.S.-Canadian income tax treaty at the time dividends are paid and it is anticipated that Parent Equity Interests will not be considered readily tradeable on an established securities market in the United States. Therefore, it is uncertain whether dividends from the Reorganized Parent Debtor will be treated as qualified dividends eligible for reduced rates of taxation. Furthermore, dividends received by U.S. Holders from a non-U.S. corporation that was a PFIC in either the taxable year of the distribution or the preceding taxable year will not constitute qualified dividends. As discussed below in *" -- Passive Foreign Investment Company Considerations,"* although it is not entirely clear, the Reorganized Debtor Parent believes that it was not a PFIC for its taxable year ended on May 31, 2017, but believes that it may be a PFIC for its current or future taxable years.

To the extent that a distribution exceeds the amount of the Debtors' current or accumulated earnings and profits, as determined under U.S. federal income tax principles, the distribution will be treated first as a tax-free return of capital, causing a reduction in the U.S. Holder's adjusted basis in the Parent Equity Interests held by such U.S. Holder (thereby increasing the amount of gain, or decreasing the amount of loss, to be recognized by such U.S. Holder upon a subsequent disposition of the Parent Equity Interests), with any amount that exceeds the adjusted basis being taxed as a capital gain recognized on a sale or exchange. However, the Debtors do not maintain calculations of earnings and profits in accordance with U.S. federal income tax principles. Therefore, if U.S. Holders are not treated as receiving a distribution in complete redemption of Parent Equity Interests, such U.S. Holders should assume that any distribution by the Reorganized Parent Debtor with respect to Parent Equity Interests will constitute ordinary dividend income.

The gross amount of distributions paid in any non-U.S. currency will be included by each U.S. Holder in gross income as discussed above (See *" -- U.S. Federal Income Tax Consequences to U.S. Holders of Parent Equity Interests Electing Option 1 Distributions in Redemption of Parent Equity Interests"*).

The treatment of distributions in redemption of stock will generally be taxed as discussed above (See " -- *U.S. Federal Income Tax Consequences to U.S. Holders of Parent Equity Interests Electing Option 1 Distributions in Redemption of Parent Equity Interests – b) Distributions in Redemption of Parent Equity Interests"*).

E. **Passive Foreign Investment Company (PFIC) Considerations**

Special and generally unfavorable U.S. federal income tax rules may apply to a U.S. Holder if its holding period in its Parent Equity Interests includes any period during a taxable year of the Reorganized Parent Debtor in which the Reorganized Parent Debtor or certain non-U.S. corporations related to it (a "Related Entity") is a passive foreign investment company (a "PFIC"). A non-U.S. corporation is classified as a PFIC for each taxable year in which (a) 75% or more of its income is passive income (as defined for U.S. federal income tax purposes) or (b) on average for such taxable year, 50% or more of the value (or, if elected, the adjusted tax basis) of its assets either produce or are held for the production of passive income.

The method of calculating the average percentage of passive assets for a taxable year is unclear. Specifically, it is uncertain whether the average percentage of passive assets is measured: (1) by taking the sum of the percentage of passive assets at the end of each quarter and dividing by four; or (2) by dividing the average of the values (or basis) of passive assets at the end of each quarter by the average value (or basis) of all assets at the end of each quarter. The Service, however, has suggested that the latter approach is correct. Based on the latter calculation method, the Reorganized Parent Debtor believes that it was not a PFIC for its taxable year ending on May 31, 2017. The law in this area is uncertain and there can be no assurance that the Service will agree with the Reorganized Parent Debtor's conclusion in this regard.

The Reorganized Parent Debtor may be a PFIC for its current or future taxable years, unless the "start-up" exception discussed below applies. A corporation that would otherwise be a PFIC in its "start-up year" (defined as the first taxable year such corporation earns gross income), is not treated as a PFIC in that taxable year provided that (1) no predecessor corporation was a PFIC, (2) it is established to the satisfaction of the Service that such corporation will not be a PFIC in either of the two succeeding years, and (3) the corporation is not, in fact, a PFIC for either succeeding year. Whether the Reorganized Parent Debtor will satisfy these conditions is a factual question, however, and may depend on whether a corporation that has liquidated is treated as "not a PFIC" for purposes of these rules. No assurance can be made that the Reorganized Parent Debtor will qualify for this exception in the current or future taxable years.

If the Reorganized Parent Debtor or a Related Entity were classified as a PFIC for any taxable year during which a U.S. Holder holds Parent Equity Interests, such U.S. Holder would be subject to an increased tax liability (such tax generally will be calculated at the highest U.S. federal income tax rate and will also include an interest charge) upon the sale or other disposition of the Parent Equity Interests or upon the receipt of certain distributions treated as "excess distributions," unless the U.S. Holder elects to be taxed currently (as discussed below under *"– Passive Foreign Investment Company (PFIC) Considerations – QEF Election"*) on such U.S. Holder's pro rata portion of the Reorganized Parent Debtor's income, regardless of whether such income was actually distributed. An excess distribution generally would be any distribution to a U.S. Holder with respect to Parent Equity Interests during a single taxable year that is greater than 125% of the average annual distributions received by such U.S. Holder with respect to Parent Equity Interests during the three preceding taxable years or, if shorter, during such U.S. Holder's holding period for the Parent Equity Interests. In addition, the Reorganized Parent Debtor may be treated as owning, directly or indirectly, interests in "lower-tier PFICs," the rules with respect to which are complex and generally adverse.

Accordingly, U.S. Holders should be aware that U.S. Holders could be subject to tax even if no distributions from the Reorganized Parent Debtor are received and no redemptions or other dispositions of Parent Equity Interests are made. The Debtors do not expect to be able to provide U.S. Holders with the information that would be necessary to calculate the amount, if any, of such tax that may be due.

In addition, certain special, generally adverse rules will apply to the Parent Equity Interests if the Reorganized Parent Debtor is a PFIC. For example, under Section 1298(b)(6) of the Tax Code, if a U.S. Holder uses PFIC shares as security for a loan (including a marginal loan) such U.S. Holder will, except as may be provided in Treasury regulations, be treated as having made a taxable disposition of such shares.

F. **QEF Election.**

The PFIC tax rules outlined above would not apply to a U.S. Holder if such U.S. Holder elected to treat the Reorganized Parent Debtor as a "qualified electing fund" or "QEF." Each

U.S. Holder is urged to consult its tax advisor as to the availability and consequences of such an election. Special rules apply for calculating the amount of the foreign tax credit with respect to excess distributions by a PFIC or, in certain cases, QEF inclusions.

The Reorganized Parent Debtor does not expect to provide U.S. Holders with the information that is necessary to make a QEF election. If a U.S. Holder was eligible for and timely made a QEF election, such U.S. Holder would include in income each year for which the Parent Debtor is a PFIC (and be subject to current U.S. federal income tax on) such U.S. Holder's pro rata share of the Parent Debtor's ordinary earnings, as ordinary income, and net capital gains, as long-term capital gain, for the Reorganized Parent Debtor's taxable year that ends with or within such U.S. Holder's taxable year, regardless of whether such amounts are actually distributed. Any such ordinary income would not be eligible for the favorable rates applicable to qualified dividend income. If a U.S. Holder is a corporation such U.S. Holder will not be eligible for a dividends received deduction in respect of such income or gain. Such U.S. Holder's adjusted tax basis in the Parent Equity Interests would be increased to reflect taxed but undistributed earnings and profits. Distributions of earnings and profits that had been previously taxed would result in a corresponding reduction in such U.S. Holder's adjusted tax basis in the Parent Equity Interests and would not be taxed again. Such U.S. Holder would not, however, be entitled to a deduction for its pro rata share of any losses that the Parent Debtor incurred with respect to any year. In certain cases in which the Reorganized Parent Debtor did not distribute all of our earnings in a taxable year, such U.S. Holder might also be permitted to elect to defer payment of some or all of the taxes on the Reorganized Parent Debtor's income, subject to an interest charge on the deferred amount. In this respect, U.S. Holders should be aware that the Reorganized Parent Debtor may have in any given year substantial earnings for U.S. federal income tax purposes that are not distributed. Thus, absent an election to defer payment of taxes, if a U.S. Holder makes a QEF election with respect to the Reorganized Parent Debtor such U.S. Holder may owe tax on significant "phantom" income. Such U.S. Holder would generally recognize capital gain or loss on the sale, exchange or other disposition of Parent Equity Interests. U.S. Holders would generally make a QEF election with respect to the first year during which the Reorganized Parent Debtor was at any time a PFIC by filing one copy of IRS Form 8621 with the U.S. Holder's U.S. federal income tax return. The QEF election is made on a shareholder by shareholder basis and can only be revoked with the consent of the Service.

Notwithstanding any election made with respect to Parent Equity Interests, dividends received with respect to Parent Equity Interests will not constitute "qualified dividend income" if the Reorganized Parent Debtor is a PFIC in either the year of the distribution or the preceding taxable year. Dividends that do not constitute qualified dividend income are not eligible for taxation at the reduced tax rate discussed above in *" -- U.S. Federal Income Tax Consequences to U.S. Holders of Parent Equity Interests Electing Option 2 -- Distributions on Parent Equity Interests."* Instead, such dividends would be subject to tax at ordinary income rates. If a U.S. Holder owns Parent Equity Interests during any year in which the Reorganized Parent Debtor is a PFIC, such U.S. Holder must also file IRS Form 8621.

U.S. Holders are urged to consult their tax advisors concerning the U.S. federal income tax consequences of holding Parent Equity Interests if the Reorganized Parent Debtor is considered a PFIC in any taxable year.

G. U.S. Federal Income Tax Treatment of the Liquidation Trust and Liquidation Trust Beneficiaries

1. Classification of the Liquidation Trust

The Liquidation Trust will be established for the sole purpose of distributing the Liquidation Trust Assets, and any proceeds therefrom, in accordance with Treasury Regulation section 301.7701-4(d) and Revenue Procedure 94-45, with no objective to continue or engage in the conduct of a trade or business. The Liquidation Trust is intended to qualify as a liquidating trust for U.S. federal income tax purposes.

The Debtors intend to treat a U.S. Holder of Parent Equity Interests that elects Option 1 as receiving non-transferrable Beneficial Trust Interests in the Liquidation Trust as consideration, in part, for the complete redemption of Parent Equity Interests as described below under "*--U.S. Federal Income Tax Treatment of the Liquidation Trust and Liquidation Trust Beneficiaries—Creation and Funding of the Liquidation Trust*" and "*--U.S. Federal Income Tax Treatment of the Liquidation Trust and Liquidation Trust Beneficiaries-- General Tax Reporting by the Liquidation Trust and Liquidation Trust Beneficiaries*"; however, there is no authority addressing the ongoing arrangements between the Reorganized Parent Debtor and the Liquidation Trust and, therefore, no assurance can be given that the Service would not assert, or that a court would not sustain, a challenge to the ongoing arrangements between the Reorganized Parent Debtor and the Liquidation Trust. In the event of such an outcome, U.S. Holders who elect Option 1 could be treated as receiving distributions from the Liquidation Trust, if any, as if such distributions were made by the Debtor Parent on Parent Equity Interests as discussed under *"–U.S. Federal Income Tax Consequences to U.S. Holders of Parent Equity Interests Electing Option 2 - Distributions on Parent Equity Interests."*

2. Creation and Funding of the Liquidation Trust

The transfer of the Liquidation Trust Assets to the Liquidation Trust shall be made for the benefit of and on behalf of the Liquidation Trust Beneficiaries. For all U.S. federal income tax purposes, the transfer of the Liquidation Trust Assets to the Liquidation Trust shall be treated as (1) a transfer of the Liquidation Trust Assets directly to the Liquidation Trust Beneficiaries, followed by (2) the transfer of such Liquidation Trust Assets by the Liquidation Trust Beneficiaries to the Liquidation Trust in exchange for the Liquidation Trust Beneficial Interests. The Liquidation Trust Beneficiaries shall be treated as the grantors and owners of the Liquidation Trust (other than the Liquidation Trust Assets as are allocable to the Reserves).

3. General Tax Reporting by the Liquidation Trust and Liquidation Trust Beneficiaries

In general, a liquidating trust is not a separate taxable entity for U.S. federal income tax purposes, but is instead treated as a grantor trust, i.e., a pass-through entity. All parties must treat the transfer of the portion of the Liquidation Trust Assets attributable to the Liquidation Trust Beneficiaries as a transfer of such assets directly to the Liquidation Trust Beneficiaries. Consistent therewith, the Plan provides that all parties must treat the Liquidation Trust as a grantor trust of which the Liquidation Trust Beneficiaries are the owners and grantors. Subject to the terms of the Liquidation Trust Agreement, the value of a Liquidation Trust Beneficiary's Allowed Interest (less any Cash distribution received from the Reorganized Parent Debtor) shall be the value of such Liquidation Trust Beneficiary's Liquidation Trust Beneficial Interest, and the Liquidation Trust Beneficiaries and the Liquidation Trust must consistently use this valuation for all U.S. federal income tax purposes, including for determining gain, loss or tax basis.

The United States federal income tax reporting obligation of a Liquidation Trust Beneficiary is not dependent upon the Liquidation Trust distributing any cash or other proceeds. The Plan provides that the Liquidation Trust will allocate items of income, gain, loss, expense and other tax items to the Liquidation Trust Beneficiaries in accordance with their relative beneficial interest in the Liquidation Trust. Therefore, a Liquidation Trust Beneficiary may incur an income tax liability with respect to its allocable share of the income of the Liquidation Trust, if any, whether or not the Liquidation Trust has made any concurrent distribution of cash or other assets to the Liquidation Trust Beneficiary.

Taxable income or loss allocated to each Liquidation Trust Beneficiary is expected to be treated as income or loss with respect to such beneficiary's undivided interest in the Liquidation Trust Assets, and not as income or loss with respect to its prior Allowed Parent Equity Interests. The character of any income, if any, and the character and ability to use any loss will depend on the particular situation of such beneficiary. Because substantially all of the assets of the Liquidation Trust will be Retained Causes of Action, consistent with a private ruling that the Service gave another taxpayer in a similar circumstance, the Liquidation Trustee may take the position that the origin of the claim doctrine will apply to characterize the income, if any, realized by a U.S. Holder of Beneficial Trust Interests as received in respect of its Allowed Claim for Parent Equity Interests. However, private rulings may be relied upon only by the recipient, and, therefore, the private ruling is not substantive authority on which U.S. Holders or the Liquidation Trustee can rely, and the Liquidation Trustee does not intend to seek a ruling from the Service with respect to the character of income received on the Liquidation Trust Assets. Therefore, the Liquidation Trustee may take the position that the Liquidation Trust Assets are capital assets, but collections received on the Liquidation Trust Assets may constitute ordinary income because the settlement of Retained Causes of Action may not constitute a "sale or exchange" of the Retained Causes of Action such that the amount realized in respect of the settlement thereof would constitute capital gain.

The Plan requires the Liquidation Trust to file tax returns for the Liquidation Trust as a "grantor trust" pursuant to Treasury Regulation section 1.671-4(a). The Liquidation Trust may send each Liquidation Trust Beneficiary a separate statement setting forth the Liquidation Trust Beneficiary's share of items of income, gain, loss, deduction, or credit, and such Liquidation Trust Beneficiary will be responsible for any reporting requirements with respect to the allocated amounts and the payment of any taxes, if any, that result from such allocations. It is anticipated that the Liquidation Trust will allow for tax distributions to be made to U.S. Holders of Beneficial Trust Interests in the event a Liquidation Trust Beneficiary is allocated income or gain from the Liquidation Trust; however, there can be no assurance that such distribution, if any, will be sufficient to satisfy all tax liabilities of a U.S. Holder arising from an ownership of Beneficial Trust Interests.

Liquidation Trust Beneficiaries are urged to consult their own tax advisors regarding the appropriate federal income tax reporting of allocations from the Liquidation Trust.

4. U.S. Information Reporting and Backup Withholding Tax

Proceeds from a taxable disposition of Parent Equity Interests or General Unsecured Claims that are paid in the United States or by a U.S.-related financial intermediary will be subject to U.S. information reporting rules, unless a U.S. Holder is a corporation or other exempt recipient. In addition, payments that are subject to information reporting may be subject to backup withholding (currently at a 28% rate) if a U.S. Holder does not provide its taxpayer identification number and otherwise comply with the backup withholding rules. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules are available to be credited against a U.S. Holder's U.S. federal income tax liability and may be refunded by the Service to the extent they exceed such liability, provided the required information is provided to the Service in a timely manner.

5. Additional Tax on Investment Income

U.S. Holders that are individuals, estates or trusts and whose income exceeds certain thresholds generally will be subject to an additional 3.8% tax on certain investment income, including, among other things, capital gains from the taxable disposition of Parent Equity Interests or General Unsecured Claims, subject to certain limitations and exceptions. Each U.S. Holder is urged to consult its own tax advisors regarding the possible implications of the additional tax on investment income described above.

H. **FATCA**

Sections 1471 through 1474 of the Code ("FATCA") impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. Certain countries have entered into, and other countries are expected to enter into, agreements with the United States to facilitate the type of information reporting required under FATCA. Such intergovernmental agreements may provide different rules with respect to foreign financial institutions. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners, the entity furnishes identifying information regarding each substantial U.S. owner or an exemption applies. A foreign financial institution or non-financial foreign entity's failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on certain U.S. source payments to it. It is uncertain whether the Reorganized Parent Debtor is subject to these rules. Prospective investors are urged to consult their own tax advisors regarding FATCA and its effect on them and their investment in the Reorganized Parent Debtor.

XX. CERTAIN CANADIAN FEDERAL INCOME TAX CONSEQUENCES AND RISKS OF THE PLAN

The following summary fairly describes, as at the date hereof, the principal Canadian federal income tax consequences of the Plan generally applicable under the *Income Tax Act* (Canada) (the "Tax Act") to a Holder of Parent Equity Interests and/or General Unsecured Claims who, for purposes of the Tax Act and at all relevant times, deals at arm's length with the Debtors and, in the case of Parent Equity Interests, holds such interests as capital property and is not "affiliated" (as defined in the Tax Act) with Debtors at all relevant times (defined as a "Canadian Holder" in the present section). Generally, the Parent Equity Interests will be considered to be capital property to a Canadian Holder provided that the Canadian Holder does not use or hold and is not deemed to use or hold the Parent Equity Interests in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Canadian resident Holders who might not otherwise be considered to hold their Parent Equity Interests as capital property may, in certain circumstances, be entitled to have their Parent Equity Interests, and all other "Canadian securities" (as defined in the Tax Act) that are held by such Canadian resident Holder, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Canadian resident Holders considering making a subsection 39(4) election are advised to speak to their own tax advisors given their particular circumstances.

This summary is based upon the provisions of the Tax Act, the regulations under the *Tax Act* in force as at the date hereof and Debtors' understanding of the current published administrative and assessing practices of the Canada Revenue Agency (the "CRA"). This summary takes into account all specific proposals to amend the Tax Act and the regulations under the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) (the "Minister") prior to the date hereof. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, and does not take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

On July 18, 2017, the Minister released a consultation paper that included an announcement of the Government's intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement. Canadian Holders that are private Canadian corporations should consult their own tax advisors.

This summary is not applicable to a Canadian Holder: (a) that is a "financial institution" for the purposes of the mark-to-market rules in the Tax Act; (b) that, in the case of a Canadian Holder of Parent Equity Interests, is a "specified financial institution" (as defined in the Tax Act); (c) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (d) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than the Canadian currency; or (e) that has entered or enters into a "derivative forward agreement" (as defined in the Tax Act) with respect to the Parent Equity Interests. This summary does not apply to any Canadian Holder of Parent Equity Interests who acquired such interests pursuant to an employee incentive plan and does not describe the tax consequences to any Canadian Holder who may acquire Parent Equity Interests pursuant to an incentive plan in connection with the Plan.

This summary is of a general nature only and is not intended to be legal or tax advice to any Canadian Holder. This summary is for informational purposes only and, due to a lack of definitive judicial or administrative authority or interpretation, substantial uncertainties exist with respect to various tax consequences of the Plan as discussed herein. No opinion of counsel has been sought or obtained with respect to any tax consequences of the Plan. No rulings or determinations of the CRA or any other tax authorities have been sought or obtained with respect to any tax consequences of the Plan, and the discussion below is not binding on the CRA or any other authority. As a result, there can be no assurance that the CRA (or other relevant tax authority) will not disagree with or challenge any of the conclusions reached and described herein and that a court would not sustain such a challenge. This summary is not exhaustive of all possible income tax considerations under the Tax Act that may affect a Canadian Holder. Consequently, Canadian Holders should consult their own tax advisors about the implications of the contemplated Plan in light of their particular circumstances.

Canadian Tax Consequences to the Debtors

Subject to the comments that follow, the Canadian Debtors do not currently anticipate material Canadian federal or provincial income tax liabilities to arise as a result of the Plan Transactions.

The Plan provides that the Liquidation Trust Assets will be deemed to be distributed to Holders of Allowed Parent Equity Interests who elect Option 1 followed immediately by a deemed contribution by such Holders of the Liquidation Trust Assets to the Liquidation Trust. The transfer of such Liquidation Trust Assets within the Debtor group and/or the deemed distribution of such Liquidation Trust Assets in respect of Holders of Allowed Parent Equity Interests who elect Option 1 may result in Canadian federal income tax consequences to one or more of the Canadian Debtors (including the realization of income or gain). The precise Canadian and federal income tax consequences to the Canadian Debtors in this regard will depend on a number of factors, including the nature of the Liquidation Trust Assets, where such Liquidation Trust Assets are held within the Debtor corporate group, and the value of such Liquidation Trust Assets. A good faith determination of the value of the Liquidation Trust Assets will be made and that amount will be used, along with an assessment of any other relevant factors, in determining the Canadian federal tax consequences to the Canadian Debtors of transferring any such Liquidation Trust Assets within the Debtor corporate group and of the deemed distribution of such Liquidation Trust Assets to Canadian Holders of Allowed Parent Equity Interests who elect Option 1. This determination of the value of the Liquidation Trust Assets, and the reporting position taken by the Canadian Debtors with respect to the deemed transfer or distribution of such Liquidation Trust Assets, will not be binding on the CRA (or any other relevant taxing authority) and there can be no assurance that the CRA (or other relevant taxation authority) will agree with such determination of value or any reporting position taken by the Debtors in this respect or otherwise with respect to implementation of the Plan, in which case material Canadian federal or provincial income tax may arise.

In addition, the Canadian Debtors may realize income or gain in connection with any proceeds to which they are entitled on the settlement or determination of any litigation claims and may be subject to material Canadian or provincial income tax as a result.

Residents of Canada

The following part of the summary is applicable to a Canadian Holder who, at all relevant times, is resident or deemed to be resident of Canada for purposes of the Tax Act (a "Resident Holder").

Parent Equity Interests Electing Option 1 – Liquidation Trust

Pursuant to the Plan, holders of Parent Equity Interests may elect to receive Beneficial Trust Interests (and a right to receive their Pro Rata share of the Liquidation Trust Expense Reserve and any other Shareholder Distributable Assets in accordance with the Plan) in exchange for all of such holders' Parent Equity Interests. The Canadian tax consequences of such alternative are uncertain, though such consequences are generally expected to be adverse (subject to the comment below with respect to the acceleration of any loss). These uncertainties include those with respect to the character for Canadian tax purposes of any return realized by a Resident Holder of Beneficial Trust Interests (which character may be different than the return to Resident Holders who retain their Parent Equity Interests). However, notwithstanding such uncertainty, a Resident Holder of Parent Equity Interests may be able to accelerate the realization of any loss such holder has in respect of their Parent Equity Interests by electing Option 1. Therefore, Resident Holders who are considering making such election are strongly urged to consult their own tax advisors for advice having regard to their own particular circumstances.

As noted above, the treatment for Canadian income tax purposes of the Liquidation Trust and of a Resident Holder's Beneficial Trust Interest in such Liquidation Trust is unclear. The Liquidation Trust may be deemed, for certain purposes of the Tax Act, to be resident in Canada. To the extent the Liquidation Trust realizes any income or capital gain (including with respect to Liquidation Trust Assets), the Liquidation Trust may be liable for Canadian income tax on such income or gains if the Liquidation Trust does not qualify as an "exempt foreign trust" and less than all of such income or gain is paid or made payable to the beneficiaries in the relevant taxation year. The Liquidation Trust should qualify as an exempt foreign trust if the only beneficiaries of the Liquidation Trust who may receive income or capital of the Liquidation Trust are beneficiaries that hold an interest in the Liquidation Trust that qualify as a "fixed interest" and each such fixed interest that is outstanding was issued by the Liquidation Trust in exchange for consideration that was not less than 90% of the interest's proportionate share of the net asset value of the property of the Liquidation Trust at the time of issuance. For these purposes a "fixed interest" would generally include an interest in the Liquidation Trust where no amount of the income or capital of the Liquidation Trust to be distributed at any time in respect of any interest in the Liquidation Trust depends on a person exercising (or failing to exercise) any discretionary power other than a power in respect of which it is reasonable to conclude that (a) the power is consistent with normal commercial practice, (b) the power is consistent with terms that would be acceptable to beneficiaries under the Liquidation Trust if the beneficiaries were dealing with each other at arm's length, and (c) the exercise of, or failure to exercise, the power will not materially affect the value of an interest as a beneficiary under the Liquidation Trust relative to the value of other such interests under the Liquidation Trust.

Alternatively, if the Liquidation Trust does qualify as an "exempt foreign trust", the Liquidation Trust may, for certain purposes of the Tax Act, be deemed to be a non-resident corporation and the Resident Holders of the Liquidation Trust deemed to be shareholders. This deeming rule may require Resident Holders (and certain other categories of persons or entities, including controlled foreign affiliates of Canadian residents or partnerships of which a Canadian resident person is a member) of a Beneficial Trust Interest in the Liquidation Trust to include in their income for Canadian tax purposes their proportionate share of any "foreign accrual property income" of the Liquidation Trust on a current basis in certain circumstances. Any such Resident Holders who are considering electing Option 1 are advised to consult their tax advisor for advice having regard to their own particular circumstances.

Parent Equity Interests Option 2 – Retained Parent Equity Interests

All Holders of Parent Equity Interests who do not elect Option 1 or who are deemed to have elected Option 2 shall retain their Parent Equity Interests through the Final Distribution Date. All distributions to Resident Holders may be effected through reductions of the stated capital of the Retained Parent Equity Interests. The amount or value of the funds or property distributed to a Resident Holder on a reduction of stated capital will not be deemed to be a taxable dividend, but a return of capital, to the extent it does not exceed the paid-up capital of the shares for purposes of the Tax Act.

Resident Holders will reduce the adjusted cost base of their Parent Equity Interests by the amount or value of the funds or property received upon a reduction of stated capital. To the extent that the amount or value of the funds or property received by a Resident Holder on a reduction of stated capital is greater than the adjusted cost base of their Parent Equity Interests, the excess will be deemed to be a capital gain of the Resident Holder for the year from the disposition of the Parent Equity Interest and the adjusted cost base of the Parent Equity Interest to the Resident Holder will then be nil. The taxation of capital gains is described below.

The amount or value of the funds or property distributed to a Resident Holder in connection with the Plan in excess of the paid-up capital of the Retained Parent Equity Interests for purposes of the Tax Act held by such Resident Holder, if any, will be deemed to be a taxable dividend.

A Resident Holder will be required to include in computing the Resident Holder's income for a taxation year any dividend received or deemed to be received on the Parent Equity Interest. In the case of a Resident Holder that is an individual (other than certain trusts), such dividend will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received. In the case of a Resident Holder that is a corporation, the amount of any such dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. A Resident Holder that is a "private corporation" or a "subject corporation," as defined in the Tax Act, will generally be liable to pay a refundable tax of 38 1/3% under Part IV of the Tax Act on dividends received or deemed to be received on the Parent Equity Interest to the extent such dividends are deductible in computing the Resident Holder's taxable income for the year. In certain circumstances, however, subsection 55(2) of the Tax Act will treat a dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

Pursuant to the Tax Act, a Resident Holder will be considered to have disposed of their Parent Equity Interests on the redemption or cancellation of the Parent Equity Interests for proceeds equal to the fair market value of the funds or property distributed to such Resident Holder at that time. The Resident Holder will be deemed to have received a dividend equal to the amount by which the fair market value of the property received or receivable exceeds the paid-up capital of such holder's Parent Equity Interests for purposes of the Tax Act at that time. In addition, the cancellation of the Parent Equity Interests will also give rise to a capital gain (or capital loss) equal to the amount by which the fair market value of the property received or receivable, net of reasonable costs of disposition and the amount of any deemed dividend referred to above, exceeds (or is exceeded by) the adjusted cost base of such Parent Equity Interests to the Resident Holder at that time.

Generally, one-half of a capital gain must be included in income as a taxable capital gain and one-half of a capital loss is an allowable capital loss. An allowable capital loss for a year normally may be deducted by the Resident Holder in computing income to the extent of any taxable capital gains for the year. Any allowable capital loss not deductible in the year may be deducted against taxable capital gains in computing taxable income for any of the three preceding years or any subsequent year (in accordance with the rules contained in the Tax Act).

Where a Resident Holder that is a corporation or a trust (other than certain trusts) disposes of a Parent Equity Interest, the Resident Holder's capital loss from the disposition may be reduced by the amount of dividends previously received by the Resident Holder except to the extent that a loss on a previous disposition of Parent Equity Interests has been reduced by those dividends. Analogous rules apply where a Resident Holder that is a corporation or a trust (other than certain trusts) is a member of a partnership that disposes of Parent Equity Interests.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 10 2/3% on its "aggregate investment income" (as defined in the Tax Act) for the year, including taxable capital gains realized on the disposition of Parent Equity Interests. Capital gains and taxable dividends received or deemed to be received by a Resident Holder who is an individual (other than certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act. Such Resident Holders should consult their own tax advisors in this regard.

It should be noted that there may be a time gap between the date of one or more initial distributions and the resulting final distribution (if any). As such, a Resident Holder may be considered to have received one or more distributions in connection with the Plan at a particular moment in time, yet not be considered to have disposed of their Parent Equity Interests until a much later moment in time in connection with the formal dissolution of the Parent Debtor. This would delay the realization of any capital loss which a Resident Holder may have in respect of their Parent Equity Interests.

General Unsecured Claims

Generally, a Resident Holder who receives Cash in satisfaction of its General Unsecured Claim may realize ordinary income to the extent that any portion of such consideration is characterized as interest, but generally only if (i) such amount has not otherwise been included in the Resident Holder's income for the taxation year or a preceding taxation year, or (ii) such amounts was previously included in the Resident Holder's income for a taxation year but a deduction for a bad debt or uncollectable loan amount was claimed by the Resident Holder in respect of such interest.

The income tax consequences arising as a result of the non-payment of any interest owing to a Resident Holder of a General Unsecured Claim will be dependent on the particular circumstances of the Resident Holder, including the method followed in computing its income for tax purposes and whether it has previously claimed a bad debt deduction or doubtful debt reserve in respect of such interest. Such Resident Holders are encouraged to consult their own tax advisors in light of their particular circumstances.

A Resident Holder whose General Unsecured Claim is held as capital property for the purposes of the Tax Act and who receives Cash in satisfaction of the principal amount of such General Unsecured Claim will be considered to have disposed of such General Unsecured Claim for proceeds of disposition equal to the amount of such Cash. Generally, such Resident Holder will realize a capital gain (or capital loss) for Canadian federal income tax purposes equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such Claim, determined immediately prior to the time such General Unsecured Claim is settled pursuant to the Plan. Please see above under "*Parent Equity Interests Option 2 – Retained Parent Equity Interests*" for a general discussion of capital gains and losses under the Tax Act.

Generally, in the case of a Resident Holder whose General Unsecured Claim arose in the course of a business carried on by it and who has, for purposes of the Tax Act, included an amount in income for the year or a previous year in respect of such General Unsecured Claim, the Canadian income tax consequences to such Resident Holder of receiving Cash in satisfaction of the principal amount of such General Unsecured Claim will depend on the Resident Holder's particular circumstances, including the method regularly followed in computing income for tax purposes and whether it has previously claimed a bad debt deduction or doubtful debt reserve in respect of such General Unsecured Claim. Where such a Resident Holder has previously claimed such a deduction in respect of its General Unsecured Claim, the Resident Holder may be required to include in computing its income (in the taxation year in which such property is received) an amount equal to such Cash. Such Resident Holders are encouraged to consult their own tax advisors in light of their particular circumstances.

Non-Residents of Canada

The following summary is applicable to a Canadian Holder who, for purposes of the Tax Act and any applicable tax treaty, and at all relevant times, is not resident, or deemed to be resident, in Canada and does not use or hold and is not deemed to use or hold the Parent Equity Interests and/or the General Unsecured Claims in connection with a trade or business that the Holder carries on, or is deemed to carry on, in Canada (a "Non-Resident Holder"). This summary does not address the considerations relevant to a Non-Resident Holder (a) that is an insurer carrying on business in Canada and elsewhere, or (b) to whom the relevant General Unsecured Claim constitutes "taxable Canadian property" (as defined in the Tax Act). This summary also assumes that no amounts that are paid or payable to a Non-Resident Holder in respect of a General Unsecured Claim is on account of "participating debt interest" (as defined in the Tax Act).

Parent Equity Interests Electing Option 1 – Liquidation Trust

Non-Resident Holders of Parent Equity Interests who elect Option 1 under the Plan shall receive their Pro Rata share of the Liquidation Trust Assets (and a right to receive their Pro Rata share of the Liquidation Trust Expense Reserve and any other Shareholder Distributable Assets in accordance with the Plan) (collectively such assets, the "PSG Distributed Assets") in exchange for and in redemption of their Parent Equity Interests. In general, a Non-Resident Holder will be deemed to have received a dividend equal to the amount by which the fair market value of the PSG Distributed Assets exceeds the paid-up capital of such holder's Parent Equity Interests for purposes of the Tax Act at that time. Any such deemed dividend will be subject to Canadian withholding tax at the rate of 25%, subject to reduction under the provisions of an applicable income tax treaty or convention. Please see above under "Canadian Tax Consequences to the Debtors" for a discussion related to the valuation of the PSG Distributed Assets.

In addition to the above, a Non-Resident Holder will also be considered to have disposed of their Parent Equity Interests upon the redemption in accordance with the Plan. For the purpose of determining the Non-Resident Holder's capital gain or capital loss, the Non-Resident Holder's proceeds of disposition will be equal to the fair market value of the PSG Distributed Assets less the amount of any deemed dividend referred to above. A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of Parent Equity Interests unless the Parent Equity Interests constitute "taxable Canadian property" and do not constitute "treaty-protected property" of the Non-Resident Holder, as defined in the Tax Act.

Generally, the Parent Equity Interests will not constitute "taxable Canadian property" to a Non-Resident Holder at a particular time unless at any particular time during the 60-month period that ends at that time more than 50% of the fair market value of the Parent Equity Interests was derived, directly or indirectly, from one or any combination of: (i) real or immoveable property situated in Canada, (ii) "Canadian resource properties" (as defined in the Tax Act), (iii) "timber resource properties" (as defined in the Tax Act) and (iv) options in respect of, or interests in, or for civil law rights in, property in any of the foregoing whether or not the property exists (the "Real Property Condition"). The Debtors do not believe that the Parent Equity Interests satisfy the Real Property Condition in the current circumstances. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Parent Equity

Interests could be deemed to be "taxable Canadian property." Non-Resident Holders whose Parent Equity Interests may constitute "taxable Canadian property" should consult their own tax advisors.

Even if the Parent Equity Interests are considered to be taxable Canadian property to a Non-Resident Holder, a taxable capital gain resulting from the disposition of the Parent Equity Interests will not be included in computing the Non-Resident Holder's income for purposes of the Tax Act if the Parent Equity Interests constitute "treaty-protected property" of the Non-Resident Holder, as defined in the Tax Act. Parent Equity Interests owned by a Non-Resident Holder will generally be "treaty-protected property" if the gain from the disposition of such property would, because of an applicable income tax treaty, be exempt from tax under Part I of the Tax Act. Non-Resident Holders whose Parent Equity Interests may constitute taxable Canadian property should consult their own tax advisors regarding the availability of any relief under any applicable income tax treaty in their circumstances.

In the event that Parent Equity Interests constitute taxable Canadian property but not treaty-protected property of a particular Non-Resident Holder, the tax consequences as described above related to capital gains and losses will generally apply. A Non-Resident Holder who disposes of taxable Canadian property should consult its own tax advisors regarding any resulting Canadian reporting requirements.

The treatment for Canadian income tax purposes of the Liquidation Trust and of a Non-Resident Holder's Beneficial Trust Interest in such Liquidation Trust is unclear. The Liquidation Trust may be deemed, for certain purposes of the Tax Act, to be resident in Canada. To the extent the Liquidation Trust realizes any income or capital gain (including with respect to Liquidation Trust Assets), the Liquidation Trust may be liable for Canadian income tax on such income or gains if the Liquidation Trust does not qualify as an "exempt foreign trust" and less than all of such income or gain is not paid or made payable to the beneficiaries in the relevant taxation year. Please see the discussion above under "*Residents of Canada - Parent Equity Interests Electing Option 1 – Liquidation Trust*" for a discussion of the requirements to be an exempt foreign trust. In addition, in the event that the Liquidation Trust does not qualify as an exempt foreign Trust, Non-Resident Holders of a Beneficial Trust interest may be subject to 25% Canadian withholding tax in respect of distributions from the trust. No assurances can be given that the Liquidation Trust will qualify as an "exempt foreign trust" for these purposes.

Parent Equity Interests Option 2 – Retained Parent Equity Interests

The summary of the principal Canadian federal income tax consequences arising in connection with Option 2 discussed above under the heading "*Residents of Canada - Parent Equity Interests Option 2 – Retained Parent Equity Interests*" also applies to Non-Resident Holders. Accordingly, a Non-Resident Holder may realize a return of capital, capital gain or capital loss on the disposition or deemed disposition of Parent Equity Interests, and/or be deemed to have been paid a dividend, in the same manner and in the same circumstances described above.

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on the disposition or deemed disposition of Parent Equity Interests unless the Parent

Equity Interests constitute "taxable Canadian property" and do not constitute "treaty-protected property" of the Non-Resident Holder, as defined in the Tax Act. Please see above under the discussion "*Parent Equity Interests Electing Option 1 – Liquidation Trust*".

To the extent that a Non-Resident Holder is deemed to have received a dividend, such deemed dividend will be subject to Canadian withholding tax at the rate of 25%, subject to reduction under the provisions of an applicable income tax treaty or convention.

General Unsecured Claims

A Non-Resident Holder will not realize any Canadian federal income tax consequences as a result of the settlement of a General Unsecured Claim pursuant to the Plan.

XXI. CONCLUSION AND RECOMMENDATION OF DEBTORS, EQUITY COMMITTEE, CREDITORS' COMMITTEE AND THE MONITOR

THE DEBTORS, THE EQUITY COMMITTEE AND THE CREDITORS' COMMITTEE EACH BELIEVE THAT CONFIRMATION AND CONSUMMATION OF THE PLAN IS IN THE BEST INTERESTS OF CREDITORS AND HOLDERS OF EQUITY INTERESTS AND THAT THE PLAN SHOULD BE CONFIRMED. THE DEBTORS AND THE COMMITTEES EACH BELIEVE THAT CONFIRMATION OF THE PLAN IS PREFERABLE TO ALL OTHER ALTERNATIVES BECAUSE IT WILL PROVIDE RECOVERIES TO CREDITORS AND HOLDERS OF PARENT EQUITY INTERESTS IN EXCESS OF THOSE WHICH WOULD OTHERWISE BE AVAILABLE IF THE CHAPTER 11 CASES AND CCAA PROCEEDINGS WERE DISMISSED OR CONVERTED TO CASES UNDER CHAPTER 7 OF THE BANKRUPTCY CODE AND BANKRUPTCY AND INSOLVENCY ACT, RESPECTIVELY. THE DEBTORS AND COMMITTEES EACH THEREFORE RECOMMEND THAT ALL CREDITORS AND EQUITY INTEREST HOLDERS RECEIVING A BALLOT VOTE IN FAVOR OF THE PLAN.

THE MONITOR WILL PREPARE A REPORT TO THE CANADIAN COURT OUTLINING ITS SUPPORT OF THE PLAN BASED ON THE MONITOR'S OWN ANALYSIS AND CONCLUSIONS, SUBJECT TO THE DISCLAIMERS THAT WILL BE OUTLINED THEREIN.

Dated: Wilmington, Delaware
August 25, 2017

Respectfully submitted,
OLD BPSUSH INC., et al.

____
Brian J. Fox
Chief Restructuring Officer

EXHIBIT 1

List of Debtors and Debtors in Possession

Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.)
Old BH Inc. (f/k/a Bauer Hockey, Inc.)
Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.)
Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.)
Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.)
Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.)
Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.)
Old PSGI Inc. (f/k/a PSG Innovation Inc.)
Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.)
Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.)
Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.)
Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.)
Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.)
Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.)
Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively)

EXHIBIT 2

The Plan

EXHIBIT 3

Prepetition Corporate Organization Chart

EXHIBIT 4

Liquidation Analysis

EXHIBIT 5

Disclosure Statement Order

EXHIBIT “C”

EXHIBIT "C"

referred to in the Affidavit of

KEISHA LACKPATIAH-SEALY

Sworn September 21, 2017

Commissioner for Taking Affidavits

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
OLD BPSUSH INC., *et al.*,[1]	Case No. 16-12373 (KJC)
Debtors.	(Jointly Administered)
	Hearing Date: Oct. 3, 2017 at 1:00 p.m. (ET) **Objection Deadline: Sept. 26, 2017 at 4:00 p.m. (ET)**

DEBTORS' MOTION FOR ORDER: (A) APPROVING THE DISCLOSURE STATEMENT; (B) FIXING VOTING RECORD DATE; (C) APPROVING SOLICITATION MATERIALS AND PROCEDURES FOR DISTRIBUTION THEREOF; (D) APPROVING FORMS OF BALLOTS AND ESTABLISHING PROCEDURES FOR VOTING ON THE DEBTORS' PROPOSED JOINT CHAPTER 11 PLAN; (E) SCHEDULING HEARING AND ESTABLISHING NOTICE AND OBJECTION PROCEDURES IN RESPECT OF CONFIRMATION OF THE PLAN; AND (F) GRANTING RELATED RELIEF

Old BPSUSH Inc. and its above-captioned affiliated debtors and debtors in possession (each a "Debtor," and collectively, the "Debtors"), in the above-captioned cases (the "Chapter 11 Cases"), by and through their undersigned counsel, respectfully represents as follows:

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively) (1514). The Debtors' mailing address is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

JURISDICTION AND VENUE

1. The Bankruptcy Court has jurisdiction over this motion (the "Motion") pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012 (the "Amended Standing Order"). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the Debtors consent to the entry of a final order by the Bankruptcy Court in connection with this Motion to the extent it is later determined that the Bankruptcy Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue is proper in this Bankruptcy Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief sought herein are sections 105, 502, 1123, 1125, 1126 and 1128 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 3001, 3003, 3017, 3018 and 3020 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 3017-1 of the Local Rules.

BACKGROUND

A. General Background

4. On October 31, 2016 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. Each of the Debtors also filed for protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), in the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court," and the filing, the "CCAA Proceedings"). The Debtors incorporated in

the U.S. are referred to herein, collectively, as the "U.S. Debtors."[2] The Debtors incorporated in the Province of British Columbia and in Canada are referred to herein, collectively, as the "Canadian Debtors."[3]

5. The Debtors are authorized to continue managing their properties and operating their business as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. On November 10, 2016, the Office of the United States Trustee for the District of Delaware (the "UST") appointed a statutory committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code (the "Creditors' Committee"). On November 28, 2016, the UST appointed a statutory committee of equity security holders pursuant to section 1102 of the Bankruptcy Code (the "Equity Committee"). A monitor (the "Monitor")[4] has been appointed in the CCAA Proceedings.

7. Additional information about the Debtors' business and the events leading to the commencement of these Chapter 11 Cases and the CCAA Proceedings (together, the "Bankruptcy Proceedings") can be found in the *Declaration of Brian J. Fox in Support of*

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[2] The U.S. Debtors are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.); Old BH Inc. (f/k/a Bauer Hockey, Inc.); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.); and Old PSGI Inc. (f/k/a PSG Innovation Inc.).

[3] The Canadian Debtors are: Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively).

[4] A monitor in Canada is an independent party appointed by the Canadian Court to monitor the company's operations and to assist with the restructuring of the company. The Monitor reports to the Canadian Court on any material matters and often provides recommendations about a proposed action to the Canadian Court.

Debtors' Chapter 11 Petitions and First-Day Motions [Docket No. 15], which is incorporated herein by reference.

B. The Sale

8. The primary initial focus of the Chapter 11 Cases and the CCAA Proceedings was to facilitate an orderly sale of substantially all of the Debtors' assets as a going concern. Toward that end, on February 6, 2017, the Bankruptcy Court held a hearing (the "Sale Hearing") to consider the sale of substantially all of the Debtors' assets and, at the conclusion thereof, entered an order [Docket No. 770] approving such sale to 9938982 Canada Inc., or its designees (the "Purchaser") for $575 million, plus the assumption of the Debtors' ordinary course trade liabilities (the "Sale"), pursuant to the terms of that certain asset purchase agreement between the parties dated as of October 31, 2016, as amended (the "Purchase Agreement"). The effective date of the Sale closing was February 27, 2017 (the "Closing Effective Date"). The proceeds of the Sale repaid in full all of the Debtors' secured lenders, and the Sale provided for the assumption and payment in full of many of the Debtors' unsecured claims. The Debtors no longer conduct any business operations other than the winding down of their estates.

C. The Plan

9. After months of discussion with the Creditors' Committee, Equity Committee, and other parties in interest, the Debtors reached a Global Settlement[5] and have included it in the Plan and Disclosure Statement. The Global Settlement is intended to provide for, among other things: (a) the prompt Payment in Full of all Allowed General Unsecured Claims without Post-Petition Interest (to the extent it would have been available); and (b) the resolution of related Intercompany Claim disputes, and the resolution of all potential disputes

[5] All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement or the Plan, as applicable.

regarding substantive consolidation and the allocation of proceeds from the Sale Proceeds. On August 9, 2017, the Debtors filed the *Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* (as the same may be amended, modified, and/or supplemented, the "Plan"), and the Debtors filed a modified version of the Plan on August 25, 2017. Also on August 25, 2017, the Debtors filed the *Disclosure Statement with Respect to Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* (as the same may be amended, modified, and/or supplemented, the "Disclosure Statement").

RELIEF REQUESTED

10. By this Motion, and pursuant to sections 105, 502, 1123, 1125, 1126 and 1128 of the Bankruptcy Code, Bankruptcy Rules 2002, 3001, 3003, 3017, 3018 and 3020, and Local Rule 3017-1, the Debtors seek the entry of an order, substantially in the form annexed hereto as Exhibit A (the "Proposed Order"):

(a) approving the Disclosure Statement;

(b) fixing October 3, 2017 as the voting record date for purposes of determining which holders of claims against the Debtors and interests in the Debtors are entitled to vote on the Plan (the "Voting Record Date");

(c) approving the notice of hearing and objection procedures with respect to confirmation of the Plan (the "Confirmation Hearing Notice"), in substantially the form annexed to the Proposed Order as Exhibit 1;

(d) approving the Solicitation Package (as defined below) and procedures for distribution thereof;

(e) approving the forms of ballot (each a "Ballot," and collectively, the "Ballots"), substantially in the forms annexed to the Proposed Order as Exhibits 2-A through 2-E, and establishing procedures for voting on the Plan;

(f) approving the form of the liquidation trust election form to be delivered to Holders of Parent Equity Interests (the "Liquidation Trust Election Form"), substantially in the form annexed to the Proposed Order as Exhibit 3.

(g) approving the form of notice to nonvoting classes under the Plan, together with the form of Opt-Out Notice (as defined below) attached thereto, both substantially in the form annexed to the Proposed Order as Exhibit 4;

(h) approving the form of publication notice of the Confirmation Hearing Notice (the "Publication Notice"), substantially in the form annexed to the Proposed Order as Exhibit 5;

(i) fixing November 13, 2017 at 5:00 p.m. (ET) as the deadline by which Creditors and Holders of Parent Equity Interests must vote to accept or reject the Plan (the "Voting Deadline");

(j) approving a solicitation letter from the Equity Committee to Holders of Parent Equity Interests;

(k) fixing November 13, 2017 at 4:00 p.m. (ET) as the deadline by which Creditors, Holders of Parent Equity Interests and other parties in interest must file objections to the Plan (the "Confirmation Objection Deadline"); and

(l) approving procedures for soliciting, voting and tabulating votes with respect to the Plan.

BASES FOR RELIEF REQUESTED

II. THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION AND SHOULD BE APPROVED

11. Pursuant to section 1125 of the Bankruptcy Code, a plan proponent must provide holders of impaired claims with "adequate information" regarding a debtor's proposed chapter 11 plan. In that regard, section 1125(a)(1) of the Bankruptcy Code provides, in pertinent part, that:

> "adequate information" means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan . . . .

11 U.S.C. § 1125(a)(1). Thus, a disclosure statement must, as a whole, provide information that is "reasonably practicable" to permit an "informed judgment" by creditors and interest holders entitled to vote on the plan. See In re Phoenix Petroleum Co., 278 B.R. 385, 392 (Bankr. E.D. Pa. 2001); In re Dakota Rail, Inc., 104 B.R. 138, 142 (Bankr. D. Minn. 1989); see also In re Copy Crafters Quickprint Inc., 92 B.R. 973, 979 (Bankr. N.D.N.Y. 1988) (adequacy of disclosure statement "is to be determined on a case-specific basis under a flexible standard that can promote the policy of chapter 11 towards fair settlement through a negotiation process between informed interested parties"). Fundamentally, a disclosure statement "must clearly and succinctly inform the average unsecured creditor what it is going to get, when it is going to get it, and what contingencies there are to getting its distribution." In re Ferretti, 128 B.R. 16, 19 (Bankr. D.N.H. 1991).

12. In examining the adequacy of the information contained in a disclosure statement, a bankruptcy court has broad discretion. See Texas Extrusion Corp. v. Lockheed Corp. (In re Texas Extrusion Corp.), 844 F.2d 1142, 1157 (5th Cir. 1988); see also In re Oxford Homes, 204 B.R. 264, 269 (Bankr. D. Me. 1997) (finding that Congress intentionally drew vague contours of what constitutes adequate information so that bankruptcy courts could exercise discretion to tailor them to each case's particular circumstances); In re Dakota Rail, 104 B.R. at 143 (holding that the bankruptcy court has "wide discretion to determine . . . whether a disclosure statement contains adequate information, without burdensome, unnecessary, and cumbersome detail"). This grant of discretion was provided because of the broad range of businesses in which chapter 11 debtors engage and the broad range of circumstances that accompany chapter 11 cases. See H.R. Rep. No. 595-95, 1st Sess. 408-09 (1977). Accordingly, the determination of whether a disclosure statement contains adequate information is to be made

on a case-by-case basis, focusing on the unique facts and circumstances of each case. See In re Phoenix, 278 B.R. at 393; Kirk v. Texaco, Inc., 82 B.R. 678, 682 (S.D.N.Y. 1988) ("The legislative history could hardly be more clear in granting broad discretion to bankruptcy judges under § 1125(a)[.]").

13. In that regard, courts generally examine whether the disclosure statement contains, if applicable, information such as:

(a) the circumstances that gave rise to the filing of the bankruptcy petition;

(b) an explanation of the available assets and their value;

(c) the anticipated future of the debtor;

(d) the source of the information provided in the disclosure statement;

(e) one or more disclaimers, which typically indicate that no statements or information concerning the debtor or its assets or securities are authorized, other than those set forth in the disclosure statement;

(f) the condition and performance of the debtor while in chapter 11;

(g) claims against the estate;

(h) a liquidation analysis setting forth the estimated return that creditors and interest holders would receive under chapter 7;

(i) the accounting and valuation methods used to produce the financial information in the disclosure statement;

(j) the future management of the debtor, including the amount of compensation to be paid to any insiders, directors, and/or officers of the debtor;

(k) a summary of the plan;

(l) an estimate of all administrative expenses, including attorneys' fees and accountants' fees;

(m) the collectability of any accounts receivable;

(n) any financial information, including valuations or *pro forma* projections that would be relevant to creditors' determinations of whether to accept or reject the plan;

(o) the risks to creditors and interest holders under the plan;

(p) the actual or projected value that can be obtained from avoidable transfers;

(q) the existence, likelihood, and possible success of nonbankruptcy litigation;

(r) the tax consequences of the plan; and

(s) the relationship of the debtor with its affiliates.

See, e.g., In re Scioto Valley Mortgage Co., 88 B.R. 168, 170-71 (Bankr. S.D. Ohio 1988); see also Oxford, 104 B.R. at 269 (using similar list). This list is not meant to be comprehensive and a debtor need not provide all the information on the list. Rather, the court must decide what is appropriate in each case. See Ferretti, 128 B.R. at 18-19 (adopting similar list); see also Phoenix Petroleum, 278 B.R. at 393 (making use of similar list but cautioning that "no one list of categories will apply in every case").

14. Here, the Disclosure Statement contains more than sufficient detail to permit holders of Claims and Parent Equity Interests entitled to vote on the Plan to make an informed judgment whether to accept or reject the Plan. Indeed, the Disclosure Statement addresses in detail all of the applicable factors identified in the Scioto Valley Mortgage. The Debtors have made every effort to produce a disclosure statement that renders the Plan and solicitation and confirmation processes understandable, and have undertaken significant steps to consult with, among others, the Creditors' Committee, the Equity Committee, and their respective advisors to ensure that the disclosures explain the various complexities of the Debtors' cases in a complete and accurate manner. The Debtors believe that the Disclosure Statement contains "adequate information" as that phrase is defined in section 1125(a)(1) of the Bankruptcy Code. Accordingly, the Debtors request that the Disclosure Statement be approved.

III. FIXING A VOTING RECORD DATE

15. Bankruptcy Rule 3017(d) provides that, for the purposes of soliciting votes in connection with the confirmation of a chapter 11 plan, "creditors and equity security holders shall include holders of stock, bonds, debentures, notes and other securities of record on the date the order approving the disclosure statement is entered or another date fixed by the court, for cause, after notice and a hearing." Fed R. Bankr. P. 3017(d). Bankruptcy Rule 3018(a) contains a similar provision regarding determination of the record date for voting purposes.

16. In accordance with the Bankruptcy Rules, the Bankruptcy Court should exercise its power pursuant thereto to set the date of the hearing to approve the Disclosure Statement, October 3, 2017, as the Voting Record Date for purposes of determining which Creditors and Holders of Parent Equity Interests are entitled to vote on the Plan. In addition, the Debtors request that the Bankruptcy Court establish the Voting Record Date as the date for determining which Holders of Claims and/or Equity Interests in non-voting classes are entitled to receive a Non-Voting Party Notice (as defined below).

IV. ESTABLISHING NOTICE AND OBJECTION PROCEDURES FOR CONFIRMATION OF THE PLAN

A. Scheduling the Confirmation Hearing

17. Bankruptcy Rule 3017(c) provides that:

> [o]n or before approval of the disclosure statement, the court shall fix a time within which the holders of claims and interests may accept or reject the plan and may fix a date for the hearing on confirmation.

Fed R. Bankr. P. 3017(c).

18. In accordance with Bankruptcy Rules 2002(b) and 3017(c), and in view of the Debtors' proposed solicitation schedule outlined herein, the Debtors request that a hearing on

confirmation of the Plan (the "Confirmation Hearing") be scheduled for November 21, 2017 at 11:00 a.m. (ET), and further request that the Confirmation Hearing be held as a joint hearing with the hearing of the Canadian Court to consider the issuance of the CCAA[6] Approval Order.[7] The Confirmation Hearing may be continued from time to time by the Bankruptcy Court or the Debtors without further notice. The proposed timing for the Confirmation Hearing is in compliance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules and will enable the Debtors to pursue confirmation of the Plan in a timely fashion.

B. Establishing Procedures for Notice of the Confirmation Hearing, the Publication Notice, and Filing Objections to Confirmation of the Plan

19. Bankruptcy Rules 2002(b) and (d) require not less than 28 days' notice to all creditors and interest holders of the time fixed for filing objections and the hearing to consider confirmation of a chapter 11 plan. In accordance with Bankruptcy Rules 2002 and 3017(d), upon approval of the Disclosure Statement, the Debtors propose to provide all parties that receive a Solicitation Package with a copy of the Confirmation Hearing Notice setting forth (i) the Voting Deadline; (ii) the time fixed for filing objections to the Plan; and (iii) the time, date, and place for the Confirmation Hearing. The Confirmation Hearing Notice will be sent contemporaneously with the distribution of the Solicitation Package on or before the Solicitation Commencement Date (as defined below).

20. The Confirmation Hearing Notice provides, and the Debtors request, that the Bankruptcy Court direct that objections to confirmation of the Plan or proposed modifications to the Plan, if any, (a) be in writing; (b) state the name and address of the objecting party; (c) state the amount and nature of the Claim of such party or the number of Parent Equity

[6] "CCAA" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

[7] "CCAA Approval Order" means an order granted by the Canadian Court that shall be in a form substantially similar to that in the Plan Supplement and in form and substance reasonably satisfactory to the Debtors, the Monitor, and the Committees.

Interests held by such party; (d) state with particularity the basis and nature of any objection to the Plan and proposed modifications to the Plan that would resolve such objection; and (e) be filed, together with proof of service, with the Bankruptcy Court and served so that they are received by the parties identified in the Confirmation Hearing Notice or the Non-Voting Party Notice no later than the Confirmation Objection Deadline. The Debtors further request that they and any other party in interest supporting confirmation of the Plan be permitted to file replies to objections, if any, to confirmation of the Plan any time before 4:00 p.m. (ET) on the day prior to the commencement of the Confirmation Hearing.

21. Setting November 13, 2017 at 4:00 p.m. (ET) as the Confirmation Objection Deadline will provide parties in interest with sufficient notice of the Confirmation Objection Deadline and will afford the Debtors and other parties in interest sufficient time to consider any objections and proposed modifications to the Plan and file any reply, while leaving the Bankruptcy Court sufficient time to consider any such objections and reply prior to the Confirmation Hearing. Accordingly, the Debtors respectfully request that the Bankruptcy Court approve these procedures for filing objections to the Plan, pursuant to Bankruptcy Rules 2002 and 3020.

22. In addition to the parties receiving Solicitation Packages and Non-Voting Party Notices, the Debtors shall serve or cause to be served the Confirmation Hearing Notice on or before the Solicitation Commencement Date, by first class mail upon:

(a) the Office of the United States Trustee for the District of Delaware;

(b) the United States Attorney's Office for the District of Delaware;

(c) the United States Department of Justice;

(d) the Internal Revenue Service (including the Delaware and Washington, D.C. offices);

(e) relevant federal, state and local taxing authorities;

(f) the Securities & Exchange Commission and other relevant regulatory agencies; and

(g) parties who have filed a request for service in the Chapter 11 Cases in accordance with Bankruptcy Rule 2002 as of the day prior to service (entities (a)-(h), collectively, the "Notice Parties").

23. The Debtors submit that the foregoing procedures will provide adequate notice of the Confirmation Hearing and, accordingly, request that the Bankruptcy Court approve such notice as adequate.

24. Bankruptcy Rule 2002(1) also permits the Bankruptcy Court to "order notice by publication if it finds that notice by mail is impracticable or that it is desirable to supplement notice." Fed. R. Bankr. P. 2002(1). The Debtors propose to publish the Publication Notice, substantially in the form of Exhibit 5 annexed to the Proposed Order attached hereto, in French in *La Presse,* in English in the National Edition of *The Globe and Mail*, and in English in the National Editions of *USA Today* and *The Wall Street Journal,* in each instance no later than October 13, 2017 or such later date that is the earliest reasonably practicable publication date after approval of the Publication Notice through entry of the Proposed Order.

25. The Debtors believe that the Publication Notice will provide sufficient notice of the approval of the Disclosure Statement, the Confirmation Hearing and the Confirmation Objection Deadline to persons and entities who will not otherwise receive notice by mail as provided herein and through the Disclosure Statement Order. The Debtors submit that such notice is appropriate and sufficient under the circumstances, and that no further notice is required.

V. APPROVING SOLICITATION MATERIALS AND PROCEDURES FOR DISTRIBUTION THEREOF

26. Bankruptcy Rule 3017(d) specifies the materials to be distributed to creditors and interest holders upon approval of a disclosure statement. In accordance with Bankruptcy Rule 3017(d), the Debtors propose to transmit, or cause to be transmitted, by first class mail, to parties entitled to vote on the Plan (the "Voting Parties")[8] a solicitation package (the "Solicitation Package"), on or before October 9, 2017 (the "Solicitation Commencement Date"), containing: (i) the Confirmation Hearing Notice, which shall set forth (a) this Bankruptcy Court's approval of the Disclosure Statement; (b) the Voting Deadline with respect to the Plan; (c) the date and time of the Confirmation Hearing; and (d) the deadline and procedures for filing objections to confirmation of the Plan; (ii) a flash drive containing a copy of the order approving this Motion (without exhibits) and a copy of the Disclosure Statement (together with the Plan and other exhibits annexed thereto);[9] and (iii) the appropriate Ballot(s) to vote to accept or reject the Plan and a pre-addressed, pre-paid return envelope. With respect to Holders of Parent Equity Interests that hold their Parent Equity Interests through a Nominee, these holders will also receive the Option 1—Liquidation Trust Election Form (separately from the Solicitation Package), through which Holders of Parent Equity Interests may elect to have their Parent Equity Interests mandatorily purchased for cancellation (in accordance with the instructions set forth on such form) in exchange for their Pro Rata share of Beneficial Trust Interests in the Liquidation Trust as set forth in the Plan, including a right to receive their Pro Rata share of any other Shareholder Distributable Assets. Holders of Parent Equity Interests that hold such

[8] The Voting Parties for the Parent Debtor consist of holders of Claims in Class P4 (General Unsecured Claims) and Class P7 (Parent Equity Interests). The Voting Parties for the Subsidiary Debtors consist of holders of Claims in Class 3 (General Unsecured Claims) of each of the Subsidiary Debtors.

[9] Recipients will also be provided with information on how to obtain an electronic copy or a free hard-copy of the Disclosure Statement upon request.

interests directly on the books of the transfer agent of Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd.) may make this election directly on their applicable Ballot.

27. Pursuant to section 1126(f) of the Bankruptcy Code, unimpaired creditors are "conclusively presumed to have accepted the plan, and solicitation of acceptances with respect to such class . . . is not required." 11 U.S.C. § 1126(f). Accordingly, the Debtors propose that they need not be required to transmit Solicitation Packages to holders of Claims or Equity Interests with respect to the Parent Debtor in Class P1 (Secured Claims), Class P2 (Priority Non-Tax Claims), Class P5 (Intercompany Claims), and Class P6 (Individual Securities Damages Claim); and with respect to the Subsidiary Debtors in Class 1 (Secured Claims), Class 2 (Priority Non-Tax Claims), Class 4 (Intercompany Claims), and Class 5 (Intercompany Equity Interests) (collectively, the "Unimpaired Parties" or the "Non-Voting Parties"), as holders of Claims or Equity Interests in each of the above-referenced Classes are unimpaired under the Plan and thus are deemed to have accepted the respective Plan.

28. All Claims against and Equity Interests in the Debtors are classified as follows:

(a) Parent Debtor Plan: Claims Against and Equity Interests in Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd.).

Class	Claim or Equity Interest	Status	Voting Rights	Estimated Percentage Recovery
P1	Secured Claims	Unimpaired	Deemed to Accept	100%
P2	Priority Non-Tax Claims	Unimpaired	Deemed to Accept	100%
P3	SEC Claim	To Be Determined	To Be Determined	To Be Determined

Class	Claim or Equity Interest	Status	Voting Rights	Estimated Percentage Recovery
P4	General Unsecured Claims	Impaired	Entitled to Vote	100%
P5	Intercompany Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)	Reinstatement
P6	Individual Securities Damages Claim	Unimpaired	Not Entitled to Vote	100% of Allowed Claim (up to Individual Securities Damages Claim Reserve amount)
P7	Parent Equity Interests	Impaired	Entitled to Vote	Pro Rata share of Shareholder Distributable Assets

(b) Subsidiary Debtor Plans: Claims Against and Equity Interests in Subsidiary Debtors.

Class	Claim or Equity Interest	Status	Voting Rights	Estimated Percentage Recovery
1	Secured Claims	Unimpaired	Deemed to Accept	100%
2	Priority Non-Tax Claims	Unimpaired	Deemed to Accept	100%
3	General Unsecured Claims	Impaired	Entitled to Vote	100%

4	Intercompany Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)	Reinstatement
5	Intercompany Equity Interests	Unimpaired	Deemed to Accept	Reinstatement

29. The Debtors propose to mail or cause to be mailed to each of the Non-Voting Parties, at the address to which notices are required to be sent pursuant to Bankruptcy Rule 2002(g), a notice, substantially in the form attached to the Proposed Order as Exhibit 4 (the "Non-Voting Party Notice"), which will set forth, among other things: (i) the non-voting Classes under the Plan; (ii) a summary of the treatment of Claims and Equity Interests under the Plan; (iii) the date and time of the Confirmation Hearing; and (iv) the deadline and procedures for filing objections to the Plan. The Non-Voting Party Notice will indicate how the Non-Voting Parties may obtain a copy of the Plan and Disclosure Statement.[10] Additionally, the Non-Voting Notice will also include, as an exhibit thereto, an opt-out form (the "Opt-Out Notice") providing Holders of Claims who are deemed to accept the Plan with the ability to "opt-out" of the third-party releases contemplated by the Plan.

30. The Debtors expect that they will be able to commence distribution of the Solicitation Packages, Confirmation Hearing Notices, and Non-Voting Party Notices, as

[10] The Disclosure Statement and the Plan have been filed with the Clerk of the Bankruptcy Court. Copies of such documents may be obtained by parties in interest from Prime Clerk LLC, the Debtors' Claims and Solicitation Agent in the Chapter 11 Cases, by visiting https://cases.primeclerk.com/PSG/, by sending a request to the Claims and Solicitation Agent at the following address: PSG Ballot Processing, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022, or by telephone at (855) 631-5352. Copies of the Disclosure Statement and the Plan are also available for inspection during regular business hours at the office of the Clerk of the Bankruptcy Court, 3rd Floor, 824 N. Market Street, Wilmington, Delaware 19801. Copies of the Disclosure Statement and the Plan may also be obtained for a fee from the Bankruptcy Court's website, http://www.deb.uscourts.gov. In addition, electronic copies of the Disclosure Statement and the Plan may be obtained by visiting the Monitor's website at www.ey.com/ca/psg.

applicable, to all parties on the Debtors' master mailing matrix on or before the Solicitation Commencement Date, including but not limited to:

(a) all persons or entities identified on the Debtors' schedules of liabilities filed pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007 (as amended or modified prior to the Voting Record Date, the "Schedules"), excluding scheduled Claims that have been (i) superseded by a filed Proof of Claim prior to the Voting Record Date, (ii) disallowed and/or expunged, or (iii) Paid in Full;

(b) all parties who filed Proofs of Claim, as reflected on the official claims register maintained by the Claims and Solicitation Agent, as of the close of business on the Voting Record Date, and whose Claims have not been either (i) disallowed and/or expunged or (ii) otherwise satisfied prior to the Solicitation Commencement Date; and

(c) the assignee of a transferred and assigned Claim (whether a filed Claim or a Claim included on the Schedules) if the transfer and assignment has been noted on the Bankruptcy Court's docket and is effective pursuant to Bankruptcy Rule 3001(e) as of the close of business on the Voting Record Date and whose Claims have not been either (i) disallowed and/or expunged or (ii) otherwise satisfied prior to the Solicitation Commencement Date.

31. Bankruptcy Rule 3017(e) provides that "the court shall consider [at the disclosure statement hearing] the procedures for transmitting the documents and information required by [Bankruptcy Rule 3017(d)] to beneficial holders of stock, bonds, debentures, notes and other securities, determine the adequacy of the procedures, and enter any orders the court deems appropriate." Because of the complexity and difficulty associated with reaching the beneficial holders of the previously publicly listed securities of Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd.), many of which hold their securities indirectly through various intermediaries such as through brokerage or other custodian accounts, the Debtors propose to mail the Solicitation Packages to (a) each directly registered Holder of Parent Equity Interests as of the Voting Record Date, and (b) each broker, commercial bank, transfer agent, trust company, dealer or other intermediary or nominee, identified by the Debtors' Claims and

Solicitation Agent as an entity through which beneficial holders indirectly hold Parent Equity Interests, or their mailing agent (each of the foregoing, a "Nominee").

32. The Debtors propose that they be authorized to send Solicitation Packages to Nominees in paper format and/or via electronic transmission in accordance with the customary requirements of each Nominee. The Debtors propose that the Bankruptcy Court order that, upon receipt of sufficient copies of the Solicitation Packages from the Claims and Solicitation Agent, Nominees promptly distribute the Solicitation Packages to the beneficial Holders of Parent Equity Interests (as applicable) by no later than five (5) business days after receipt by the Nominees of the Solicitation Packages in accordance with each Nominee's customary procedures.

33. In order to distribute Solicitation Packages to directly registered holders of the Parent Equity Interests, by no later than one (1) business day after the Voting Record Date, the transfer agent of Old PSG Wind-down Ltd. (f/k/a Performance Sports Group (as applicable), shall, at the request of the Debtors or the Claims and Solicitation Agent, provide the Debtors or the Claims and Solicitation Agent with an electronic Microsoft Excel file of the names, addresses, account numbers and holdings of each respective directly registered Holder of Parent Equity Interests as of the Voting Record Date. The Claims and Solicitation Agent shall use the shareholder list of directly registered Holder of Parent Equity Interests and serve each directly registered holder on or before the Solicitation Commencement Date.

34. Some of the notices that the Debtors have previously distributed to parties in interest have been returned as undeliverable. The Debtors believe that it would be inefficient and a waste of resources to distribute Solicitation Packages, Confirmation Hearing Notices, and Non-Voting Party Notices, as applicable, to the same addresses to which previously

undeliverable notices were distributed. Therefore, the Debtors seek the Bankruptcy Court's approval for a departure from the strict notice rule, excusing the Debtors from distributing Solicitation Packages, Confirmation Hearing Notices, and Non-Voting Party Notices, as applicable, to those entities listed at such addresses if the Debtors have not been provided accurate addresses for such entities before the Solicitation Commencement Date.

35. Further, if the Debtors send Solicitation Packages, Confirmation Hearing Notices, and Non-Voting Party Notices that are returned as undeliverable, the Debtors seek to be excused from attempting to re-deliver such materials to such entities.

36. Although the Debtors have made, and will make, every effort to ensure that the Solicitation Packages are in final form prior to entry of the Proposed Order, the Debtors nonetheless request that they be authorized to make nonsubstantive changes to the Disclosure Statement, the Plan, and related documents without further order of the Bankruptcy Court, including ministerial changes to correct typographical and grammatical errors, and to make conforming changes among the Disclosure Statement, the Plan and any other materials in the Solicitation Packages prior to mailing.

37. The Debtors submit that good cause exists for implementing the aforementioned notice and service procedures.

VI. APPROVING FORMS OF BALLOTS AND ESTABLISHING PROCEDURES FOR VOTING ON THE PLAN

38. Bankruptcy Rule 3017(d) provides that ballots for voting to accept or reject a chapter 11 plan should conform substantially to Official Form No. 14. The Debtors propose to distribute to certain holders of Claims and Parent Equity Interests, as described below, one or more Ballots, substantially in the forms annexed to the Proposed Order as Exhibits 2-A, 2-B, 2-C, 2-D, and 2-E. The forms of Ballots are based on Official Form No. 14, but have been

modified to address the particular aspects of the Chapter 11 Cases and to include certain additional information that the Debtors believe is relevant and appropriate for each Class of Claims entitled to vote, including the ability of Holders of Claims to "opt-out" of the third-party releases contemplated by the Plan.

39. The Debtors believe that the proposed Ballots are appropriate and that the implementation of the aforementioned voting procedures will foster a fair and equitable voting process. Accordingly, good cause exists for approving the proposed Ballots and implementing the voting procedures set forth above.

VII. ESTABLISHING VOTING DEADLINE FOR RECEIPT OF BALLOTS

40. Bankruptcy Rule 3017(c) provides that, on or before approval of a disclosure statement, the court shall fix a time period within which the holders of claims or interests may accept or reject a plan. The Debtors propose a thirty-five (35) day solicitation period in the Chapter 11 Cases to begin on the Solicitation Commencement Date. Based on such schedule, the Debtors request that in order to be counted as a vote to accept or reject the Plan, each Ballot must be properly completed, executed and delivered to the Claims and Solicitation Agent (i) by first-class mail, in the return envelope provided with each Ballot or another envelope properly addressed; (ii) by overnight courier; (iii) by hand delivery; or (iv) via Prime Clerk's online balloting portal (as permitted), so that it is actually received by the Claims and Solicitation Agent by the Voting Deadline.

41. In addition to accepting hard copy Ballots via first class mail, overnight courier, and hand delivery, the Debtors request authorization to accept Ballots from Holders of General Unsecured Claims and directly registered Holders of Parent Equity Interests via electronic, online transmissions, solely through a customized online balloting portal on the Debtors' case website to be maintained by Prime Clerk. Certain parties entitled to vote may cast

an electronic Ballot and electronically sign and submit the Ballot instantly by utilizing the online balloting portal (which allows a holder to submit an electronic signature). Instructions for electronic, online transmission of Ballots are set forth on the applicable forms of Ballots. The encrypted ballot data and audit trail created by such electronic submission shall become part of the record of any Ballot submitted in this manner and the creditor's electronic signature will be deemed to be immediately legally valid and effective. In addition, with respect to Parent Equity Interests, Nominees may return their Master Ballots via electronic mail to psgballots@primeclerk.com.

42. The Debtors submit that such solicitation period is more than a sufficient period within which parties in interest entitled to vote can make an informed decision whether to accept or reject the Plan in that, among other things, it permits Nominees at least five (5) business days to provide Solicitation Packages to the beneficial Holders of Parent Equity Interests and then provides the beneficial Holders of Parent Equity Interests with an additional twenty-eight (28) days' notice of the Voting Deadline.

VIII. APPROVAL OF PROCEDURES FOR VOTE TABULATION

43. Section 1126(c) of the Bankruptcy Code provides as follows:

> A class of claims has accepted a plan if such plan has been accepted by creditors, other than any entity designated under subsection (e) of this section, that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors, other than any entity designated under subsection (e) of this section, that have accepted or rejected such plan.

44. Section 1126(d) of the Bankruptcy Code provides as follows:

> A class of interests has accepted a plan if such plan has been accepted by holders of such interests, other than any entity designated under subsection (e) of this section, that hold at least two-thirds in amount of the allowed interests of such class held by holders of such interests, other than any entity designated under

subsection (e) of this section, that have accepted or rejected such plan.

Further, Bankruptcy Rule 3018(a) provides that "the court after notice and hearing may temporarily allow the claim or interest in an amount which the court deems proper for the purpose of accepting or rejecting a plan." Fed. R. Bankr. P. 3018(a).

45. The Debtors propose that the foregoing general procedures be subject to the following tabulation rules:

(a) If a Claim is deemed Allowed under the Plan or pursuant to a stipulation or settlement agreement approved by order of the Bankruptcy Court, such Claim is Allowed for voting purposes in the deemed Allowed amount set forth in the Plan, stipulation or settlement agreement.

(b) If a Proof of Claim has been timely filed prior to the Voting Record Date in an amount that is liquidated and non-contingent, such Claim shall be deemed allowed for voting purposes only and not for purposes of allowance or distribution, in the amount set forth on the Proof of Claim; provided, however, that a party whose Claim has been indefeasibly paid, in full or in part, shall only be permitted to vote the unpaid amount of such Claim, if any, to accept or reject the Plan.

(c) If a Proof of Claim has been timely filed prior to the Bar Date and such Claim is wholly contingent or unliquidated, such Claim shall be temporarily allowed for voting purposes only, and not for purposes of allowance or distribution, in an amount equal to $1.00.

(d) If a Proof of Claim has been timely filed prior to the Bar Date and such Claim is unliquidated or contingent in part, such Claim shall be temporarily allowed for voting purposes only, and not for purposes of allowance or distribution, in the liquidated and non-contingent amount only, less any amounts that have been indefeasibly paid toward such Claim.

(e) If a Proof of Claim has not been timely filed prior to the Bar Date, or a Claim has not been otherwise Allowed prior to the Voting Record Date, and such Claim is reflected in the Debtors' Schedules and is not listed as contingent, unliquidated or disputed, such Claim shall be allowed for voting purposes only in the amount reflected in the Debtors' Schedules; provided, however, that a party whose Claim has been indefeasibly paid as reflected in a notice of satisfaction filed on the docket, in full or in part, shall only be permitted to vote the unpaid amount of such Claim, if any, to accept or reject the Plan.

(f) If a Claim has been scheduled by the Debtors as contingent, unliquidated or disputed, and has not be superseded by a Proof of Claim filed prior to the Voting Record Date, such Claim shall be disallowed for voting purposes.

(g) If a Claim has been estimated or otherwise allowed for voting purposes by order of the Bankruptcy Court, such Claim is temporarily allowed in the amount so estimated or allowed by the Bankruptcy Court for voting purposes only, and not for purposes of distribution.

(h) If the Debtors have served an objection to a Claim or request for estimation as to a Claim on or before October 24, 2017, such Claim is temporarily disallowed for voting purposes only and not for purposes of allowance or distribution, except as set forth in the objection or otherwise ordered by the Bankruptcy Court before the Voting Deadline.

(i) For purposes of voting, classification and treatment under the Plan, each entity that holds or has filed more than one (1) Claim, may be treated as if such entity has only one (1) Claim in each applicable Class for each applicable Debtor and the Claims filed by such entity shall be aggregated in each applicable Class for each applicable Debtor and the total dollar amount of such entity's Claims in each applicable Class for each Debtor shall be the sum of the aggregated Claims of such entity in each applicable Class for each applicable Debtor.

46. In addition, the Debtors request that the following procedures and standard assumptions be used in tabulating the Ballots:

(a) For purposes of the numerosity requirement of section 1126(c) of the Bankruptcy Code, separate Claims held by a single Creditor in a particular Class against the same Debtor may be aggregated as if such Creditor held one Claim against the Debtor in such Class, and the votes related to such Claims will be treated as a single vote to accept or reject the Plan as to such Debtor.

(b) Creditors must vote all of their Claims within a particular Class against the same Debtor either to accept or reject the Plan and may not split their vote. Accordingly, an individual Ballot or multiple Ballots with respect to multiple Claims within a single Class against the same Debtor that partially rejects and partially accepts the Plan will not be counted. Each Creditor shall be deemed to have voted the full amount of its Claim against a given Debtor to accept or reject the Plan against such Debtor, even if a different amount is indicated.

(c) Ballots that fail to indicate an acceptance or rejection of the Plan or that indicate both acceptance and rejection of the Plan, but which are otherwise properly executed and received prior to the Voting Deadline, will not be counted.

(d) Except in the Debtors' sole and absolute discretion, only Ballots that are timely received with appropriate signature(s) will be counted. Unsigned or non-original Ballots and/or untimely Ballots will not be counted; *provided*, *however*, that Ballots cast via the online balloting portal will be deemed to contain an original signature.

(e) Subject to the provisions governing Nominees of beneficial Holders of Parent Equity Interests, only Creditors and Holders of Parent Equity Interests may vote unless a properly executed, written power of attorney is submitted with each Ballot cast, which evidences such Creditor's intention to have such other person complete the Ballot on the Creditor's or Parent Equity Interest Holder's behalf, provided, however, that the Debtors may elect to waive this requirement in their sole and absolute discretion.

(f) A Creditor whose Claim is subject to a pending objection is not eligible to vote (except as set forth in the objection) unless such objection(s) are resolved in such Creditor's favor, the Debtors and the Creditor stipulate to a Claim for voting purposes only, or, after notice and a hearing pursuant to Bankruptcy Rule 3018(a), the Bankruptcy Court allows the Claim temporarily or estimates the amount of the Claim for purposes of voting to accept or reject the Plan.

(g) Ballots postmarked prior to the Voting Deadline, but received after the Voting Deadline, will not be counted.

(h) Ballots which are illegible, or contain insufficient information to permit the identification of the Creditor or holder of a Parent Equity Interest, will not be counted.

(i) Whenever a Creditor or holder of a Parent Equity Interest casts more than one Ballot voting the same Claim or Parent Equity Interest prior to the Voting Deadline, the last valid Ballot received prior to the Voting Deadline shall be deemed to reflect the voter's intent and supersede any prior Ballots.

(j) If a Creditor or holder of a Parent Equity Interest simultaneously casts inconsistent duplicate Ballots with respect to the same Claim or Parent Equity Interests, such Ballots shall not be counted.

(k) Unless otherwise ordered by the Bankruptcy Court, questions as to the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawal of Ballots shall be determined by the Claims and Solicitation Agent and the Debtors, acting in good faith after consultation with the Creditors' Committee and Equity Committee, which determination shall be final and binding.

(l) Any Ballot containing a vote that this Bankruptcy Court determines, after notice and a hearing, was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code shall not be counted for voting or tabulation purposes.

(m) Any Ballot cast by a person or entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan shall not be counted for voting or tabulation purposes.

(n) Any Ballot voting on account of a Proof of Claim filed after the Bar Date that has not been temporarily allowed for voting purposes by order of this Bankruptcy Court shall not be counted for voting or tabulation purposes.

(o) Ballots cast for Claims listed in the Debtors' Schedules as contingent, unliquidated or disputed, for which no corresponding Proof of Claim was timely filed before the Voting Record Date, shall not be counted for voting or tabulation purposes.

(p) Except in the Debtors' sole and absolute discretion, any Ballot transmitted to the Claims and Solicitation Agent by facsimile or other electronic means shall not be counted for voting or tabulation purposes (except as otherwise provided herein).

(q) Subject to contrary order of the Bankruptcy Court, the Debtors, acting in good faith after consultation with the Creditors' Committee and Equity Committee, reserve the right to reject any and all Ballots not proper in form, the acceptance of which, in the Debtors' opinion, would not be in accordance with the provisions of the Bankruptcy Code; provided, however, that such invalid Ballots shall be documented in the voting results filed with the Bankruptcy Court.

(r) Subject to contrary order of the Bankruptcy Court, the Debtors, in their sole and absolute discretion, acting in good faith after consultation with the Creditors' Committee and Equity Committee, may waive any defect in any Ballot at any time before or after the Voting Deadline and without notice to any party.

47. In the event any Class of Claims against a Debtor does not have a Holder of an Allowed Claim or a Claim temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing, such Class or Classes will be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or

rejection of the Plan by such Class as to the applicable Debtor pursuant to section 1129(a)(8) of the Bankruptcy Code.

48. The Debtors additionally request that Creditors seeking to have a Claim temporarily allowed for purposes of voting to accept or reject the Plan pursuant to Bankruptcy Rule 3018(a) be required to file a motion for such relief no later than 4:00 p.m. (ET) on November 3, 2017, and that the Bankruptcy Court schedule a hearing on such motion for a date on or prior to the date of the Confirmation Hearing.

49. While directly registered Holders of Parent Equity Interests return their directly registered Holder Ballots directly to the Claims and Solicitation Agent, additional procedures must be utilized for the return of votes cast by beneficial Holders that hold their Parent Equity Interests through Nominees. Accordingly, the Debtors request that the Bankruptcy Court authorize that each Nominee obtain the votes of beneficial Holders of the Parent Equity Interests by forwarding or causing to be forwarded the Solicitation Package to each beneficial Holder for whom it acts as a Nominee (as described in more detail above) and directing such beneficial Holder to return its vote to its Nominee (or its Nominee's mailing agent, as the case may be) in accordance with such Nominee's customary practices.[11]

[11] If it is the Nominee's customary and accepted practice to submit a "voting instruction form" to its beneficial Holders for the purpose of recording the beneficial Holders' votes, the Nominee will be authorized to send the voting instruction form; provided, however, that the Nominee shall also distribute the appropriate Beneficial Holder Ballot approved by the Disclosure Statement Order.

Nominees may elect to pre-validate the Beneficial Holder Ballot (a "Pre-Validated Ballot") by (i) signing the applicable Beneficial Holder Ballot and including its Participant Number, (ii) indicating on the Beneficial Holder Ballot the account number of such holder, and the number of Parent Equity Interests (as applicable) held by the Nominee for such beneficial Holder, and (iii) forwarding the Beneficial Holder Ballot (together with the full Solicitation Package) to the beneficial Holder for voting. The beneficial Holder must then complete the information requested in the Beneficial Holder Ballot (including indicating a vote to accept or reject the Plan), review the certifications contained therein, and return the Beneficial Holder Ballot directly to the Claims and Solicitation Agent in the pre-addressed, postage paid envelope included with the Solicitation Package so that it is actually received by the Claims and Solicitation Agent on or prior to the Voting Deadline. A list of beneficial Holders to whom the Nominee sent Pre-Validated Ballots should be maintained by the Nominee for inspection for at least one year following the Voting Deadline.

50. Nominees shall summarize (or cause to be summarized) the individual votes of their respective beneficial Holders cast on their Ballots or in accordance with the Nominee's customary practices on the applicable Master Ballot, and then return such Master Ballot to the Claims and Solicitation Agent. This procedure is intended to address the complex structure of the securities industry by enabling the Debtors to transmit materials to the Holders of their publicly-traded securities, and affords such Holders a fair and reasonable opportunity to vote.

51. In addition, the following additional tabulation procedures shall apply with respect to tabulating Master Ballots:

(a) All Nominees will be required to retain (or cause to be retained) the Beneficial Holder Ballots cast by their respective beneficial Holders (or a record thereof if such vote was otherwise cast in accordance with the Nominees' customary practices) for inspection for a period of one year following the Voting Deadline;

(b) Votes cast by Holders of Parent Equity Interests through Nominees will be applied to the applicable positions held by such Nominees as of the Voting Record Date, as evidenced by the record and depository listings of the Depository Trust Company and the Canadian Clearing and Depository Securities Inc. Votes submitted by a Nominee shall not be counted in excess of the amount of public securities held by such Nominee as of the Voting Record Date;

(c) If conflicting votes or "over-votes" are submitted by or on behalf of a Nominee, the Claims and Solicitation Agent shall use reasonable efforts to reconcile discrepancies with such Nominee. The submission of a Beneficial Holder Ballot or a Master Ballot reflecting an aggregate number of voting Parent Equity Interests that exceeds the record position as identified on record and depository listings of the Depository Trust Company and the Clearing Depository Securities Inc. respectively, is referred to herein as an "overvote";

(d) If overvotes are submitted by a Nominee which are not reconciled prior to the preparation of the certification of vote results, the votes to accept and to reject the Plan shall be counted in the same proportion as the votes to accept and to reject the Plan submitted by the Nominee, but only to the extent of the Nominee's Voting Record Date position; and

(e) A single Nominee may complete and deliver or cause to be completed or delivered to the Claims and Solicitation Agent multiple Master Ballots. Votes reflected on multiple Master Ballots shall be counted except to the extent that they are duplicative of votes reflected on other Master Ballots. If two or more Master Ballots are inconsistent, the last properly completed Master Ballot received prior to the Voting Deadline shall, to the extent of such inconsistency, supersede any prior received Master Ballot.

Furthermore, the Debtors seek authorization to reimburse such Nominees for their reasonable, actual and necessary out-of-pocket expenses incurred in performing or causing to be performed the tasks described above with respect to the distribution of Solicitation Packages and the tabulation of votes upon written request by such entities, with supporting documentation (subject to the Bankruptcy Court retaining jurisdiction to resolve any disputes regarding any request for reimbursement).

52. The Debtors submit that such procedures provide for a fair and equitable voting process. Accordingly, the Bankruptcy Court should approve the Debtors' voting procedures.

IX. OPTIONAL RELEASES

53. Article X.B of the Plan provides that Holders of Claims (but not Holders of Equity Interests, including Holders of Parent Equity Interests) against the Debtors will be deemed to grant a third-party release to the "Third-Party Releasees" (as defined in the Plan) unless such holders timely opt-out of such release. Specifically, each Holder of a Claim entitled to vote on the Plan may choose to opt out of those certain releases provided under Article X.B. of the Plan, even if such holder does not otherwise vote to accept or reject the Plan (either by failing to indicate an acceptance or rejection, indicating both an acceptance and a rejection or otherwise submitting a Ballot that is not counted in determining whether the Plan has been accepted or rejected), by timely submitting a Ballot checking the appropriate box indicating an election of the release opt-out by the Voting Deadline. For the avoidance of doubt, each Holder of a Claim

in a voting class that does not check the "opt-out" box on its Ballot will be deemed to have irrevocably and unequivocally consented to the third-party releases set forth in Article X.B of the Plan and to be a Releasing Party under the Plan. Additionally, each Holder of a Claim in a non-voting class that is deemed to accept the Plan and who does not return a validly executed Opt-Out Notice opting out the of the releases provided in Article X.B of the Plan on or before the Voting Deadline shall be deemed to have irrevocably and unequivocally consented to the third-party releases set forth in Article X.B of the Plan and to be a Releasing Party under the Plan. For the further avoidance of doubt, nothing herein is intended or shall be deemed to approve any releases provided under the Plan, which shall be considered at the Confirmation Hearing.

NOTICE

54. Notice of this Motion has been provided to the following parties, or, in lieu thereof, their counsel: (i) the UST; (ii) those parties served with notice of the Comeback Hearing in the CCAA Proceedings; (iii) counsel to the Creditors' Committee and counsel to the Equity Committee; (iv) the Monitor; (v) the SEC; and (vi) all parties requesting notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Debtors submit that no further notice is necessary.

55. Additionally, on August 25, 2017, the Debtors caused that certain *Notice of Hearing to Consider Adequacy of the Disclosure Statement* (the "Disclosure Statement Hearing Notice") [Docket No. 1285] to be mailed to all parties required to receive such notice pursuant to Bankruptcy Rules 2002(b), 2002(d) and 3017(a), including, all known Holders of Claims, the Nominees and the directly registered Holders of Parent Equity Interests. The Disclosure Statement Hearing Notice (a) set forth the time, date and place of the Disclosure Statement Hearing, and (b) provided that objections, if any, to approval of the Disclosure Statement must be filed, together with proof of service, with the Bankruptcy Court and served on

the parties set forth in the Disclosure Statement Notice so that they are received no later than 4:00 p.m. (ET) on September 25, 2017.

56. The Debtors submit that such notice is adequate and no other or further notice need be given.

CONCLUSION

WHEREFORE, the Debtors respectfully request that this Bankruptcy Court enter the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such further relief as the Bankruptcy Court deems just and proper.

Dated: September 12, 2017
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Sean T. Greecher

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Co-Counsel to the Debtors and Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
OLD BPSUSH INC., *et al.*,[1]	Case No. 16-12373 (KJC)
Debtors.	Jointly Administered
	Objection Deadline: September 26, 2017 at 4:00 p.m. (ET) **Hearing Date: October 3, 2017 at 1:00 p.m. (ET)**

NOTICE OF MOTION

TO: (I) THE U.S. TRUSTEE; (II) THOSE PARTIES SERVED WITH NOTICE OF THE COMEBACK HEARING IN THE CANADIAN PROCEEDINGS; (III) COUNSEL TO THE CREDITORS' COMMITTEE AND COUNSEL TO THE EQUITY COMMITTEE; (IV) THE MONITOR; (V) THE SEC; AND (VI) ALL PARTIES REQUESTING NOTICE PURSUANT TO BANKRUPTCY RULE 2002

PLEASE TAKE NOTICE that Old BPSUSH Inc. and its above-captioned affiliated debtors and debtors in possession (collectively, the "Debtors") have filed the attached *Debtors' Motion for Order: (A) Approving the Disclosure Statement; (B) Fixing Voting Record Date; (C) Approving Solicitation Materials and Procedures for Distribution Thereof; (D) Approving Forms of Ballots and Establishing Procedures for Voting on the Debtors' Proposed Joint Chapter 11 Plan; (E) Scheduling Hearing and Establishing Notice and Objection Procedures in Respect of Confirmation of the Plan; and (F) Granting Related Relief* (the "Motion").

PLEASE TAKE FURTHER NOTICE that any objections to the Motion must be filed on or before **September 26, 2017 at 4:00 p.m. (ET)** (the "Objection Deadline") with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time, you must serve a copy of the objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (1514) (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively). The Debtors' mailing address is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE MOTION WILL BE HELD ON **OCTOBER 3, 2017 AT 1:00 P.M. (ET)** BEFORE THE HONORABLE KEVIN J. CAREY AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, FIFTH FLOOR, COURTROOM NO. 5, WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR A HEARING.

Dated: September 12, 2017
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Sean T. Greecher
Pauline K. Morgan (No. 3650)
Sean T. Greecher (No. 4484)
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-and-

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Exhibit A

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
OLD BPSUSH INC., *et al.*,[1]	)	Case No. 16-12373 (KJC)
Debtors.	)	(Jointly Administered)
	)	**Ref. Docket No. ______**

ORDER: (A) APPROVING THE DISCLOSURE STATEMENT; (B) FIXING VOTING RECORD DATE; (C) APPROVING SOLICITATION MATERIALS AND PROCEDURES FOR DISTRIBUTION THEREOF; (D) APPROVING FORMS OF BALLOTS AND ESTABLISHING PROCEDURES FOR VOTING ON THE PLAN; (E) SCHEDULING HEARING AND ESTABLISHING NOTICE AND OBJECTION PROCEDURES IN RESPECT OF CONFIRMATION OF THE PLAN; AND (F) GRANTING RELATED RELIEF

Upon consideration of the motion (the "Motion") of Old BPSUSH Inc. and its above-captioned affiliated debtors and debtors in possession (each a "Debtor," and collectively, the "Debtors"), in the above-captioned cases (the "Chapter 11 Cases") for entry of an order, pursuant to sections 105, 502, 1123, 1125, 1126 and 1128 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 3001, 3003, 3017, 3018 and 3020 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 3017-1 of the Local Rules of

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively) (1514). The Debtors' mailing address is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"): (a) approving the *Disclosure Statement with Respect to Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* (as the same may be amended, modified, and/or supplemented, the "Disclosure Statement"); (b) fixing a voting record date for purposes of determining which Holders of Claims[2] against the Debtors are entitled to vote on the *Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* (as the same may be amended, modified, and/or supplemented, the "Plan"); (c) approving solicitation materials and procedures for distribution for the Disclosure Statement and the Plan; (d) approving forms of Ballots and establishing procedures for voting on the Plan; (e) scheduling a hearing and establishing notice and objection procedures in respect of confirmation of the Plan; and (f) granting related relief; and the Bankruptcy Court having jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware* dated as of February 29, 2012; and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Bankruptcy Court may enter a final order consistent with Article III of the United States Constitution; and venue being proper before this Bankruptcy Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Debtors having filed with the Bankruptcy Court the Disclosure Statement and the Plan; and the Bankruptcy Court having reviewed the Disclosure Statement, the Motion, and the responses thereto, if any; and the Bankruptcy Court having found and determined that the legal and factual bases set forth in the Motion and at the Disclosure Statement Hearing, if any, establish just cause for the relief granted herein; and sufficient notice of the Motion and the Disclosure Statement Hearing having been given; and no other or further

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[2] Capitalized terms used but not otherwise defined herein shall the meanings that are ascribed to such terms in the Motion or the Disclosure Statement and the Plan.

notice being necessary or required; and it appearing to the Bankruptcy Court, based upon the full record of the Chapter 11 Cases, that the Motion should be granted; and after due deliberation, and sufficient cause appearing therefor,

IT IS HEREBY FOUND THAT:

A. The Debtors have all necessary authority to propose and prosecute the Plan and the Disclosure Statement.

B. Notice of the Motion and the Disclosure Statement Hearing Notice were served as proposed in the Motion, and such notice constitutes good and sufficient notice to all interested parties and no other or further notice need be provided.

C. The period, set forth below, during which the Debtors may solicit acceptances of the Plan is a reasonable and adequate period of time under the circumstances for creditors and interest holders entitled to vote to make an informed decision to accept or reject the Plan, including to make an informed decision to object to the Plan.

D. The procedures for the solicitation and tabulation of votes to accept or reject the Plan (as more fully set forth in the Motion and in this Order below) provide for a fair and equitable voting process, and are consistent with section 1126 of the Bankruptcy Code.

E. The notice substantially in the form annexed hereto as Exhibit 1 (the "Confirmation Hearing Notice"), the notice substantially in the form annexed hereto as Exhibit 4 (the "Non-Voting Party Notice"), and the procedures set forth below for providing such notices to creditors, interest holders, and other parties in interest of the time, date, and place of the hearing to consider confirmation of the Plan (the "Confirmation Hearing"), and the contents of the Confirmation Hearing Notice and the Non-Voting Party Notice, comply with Bankruptcy Rules 2002 and 3017 and constitute sufficient notice to all known interested parties.

F. The Publication Notice, if published in substantially the form attached hereto as Exhibit 5 in French in *La Presse,* in English in the National Edition of *The Globe and Mail*, and in English in the National Editions of *USA Today* and *The Wall Street Journal,* in each instance no later than October 13, 2017 or such later date that is the earliest reasonably practicable publication date after entry of this Order, is deemed to be sufficient and appropriate under the circumstances to provide notice of the Confirmation Objection Deadline and Confirmation Hearing to unknown holders of Claims against the Debtors, if any.

G. The forms of Ballots annexed hereto as Exhibits 2-A, 2-B, 2-C, 2-D, and 2-E, are sufficiently consistent with Official Form No. 14, adequately address the particular needs of the Chapter 11 Cases, and are appropriate for each Class of Claims and Parent Equity Interests that is entitled to vote to accept or reject the Plan.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

1. The Motion is GRANTED as set forth herein.

2. The Disclosure Statement is approved as containing adequate information within the meaning of section 1125 of the Bankruptcy Code.

3. October 3, 2017 is established as the voting record date (the "Voting Record Date") for purposes of this Order and determining which creditors are entitled to vote on the Plan.

4. The Confirmation Hearing Notice, substantially in the form attached hereto as Exhibit 1, is approved.

5. The Confirmation Hearing shall be held on November 21, 2017 at 11:00 a.m. (ET) as a joint hearing with the Canadian Court's hearing to consider issuance of the CCAA Approval Order, subject to the availability of the Canadian Court; provided, however, that the

Confirmation Hearing may be adjourned or postponed from time to time by the Bankruptcy Court or the Debtors without further notice at any time prior to the commencement of the Confirmation Hearing.

6. Objections to confirmation, of or proposed modifications to, the Plan, if any, must (a) be in writing; (b) state the name and address of the objecting party; (c) state the amount (if applicable) and nature of the Claim of, or the number of Parent Equity Interests held by, such party; (d) state with particularity the basis and nature of any objection to the Plan and proposed modifications to the Plan that would resolve such objection; and (e) be filed, together with proof of service, with the Bankruptcy Court and served so that they are received by the parties identified in the Confirmation Hearing Notice or the Non-Voting Party Notice no later than 4:00 p.m. (ET), on November 13, 2017 (the "Confirmation Objection Deadline"). Objections to confirmation of the Plan that are not timely filed and served in the manner set forth above may not be considered by the Bankruptcy Court.

7. The Debtors, and any other party in interest supporting confirmation of the Plan, shall be permitted to file replies to objections to confirmation of the Plan, if any, at any time before 4:00 p.m. (ET) on the day prior to commencement of the Confirmation Hearing.

8. By no later than one (1) business day after the Voting Record Date, the transfer agent of Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd.) shall, at the request of the Debtors or the Claims and Solicitation Agent, provide the Debtors or the Claims and Solicitation Agent with an electronic Microsoft Excel file of the names, addresses, account numbers and holdings of each respective directly registered Holder of Parent Equity Interests as of the Voting Record Date. The Claims and Solicitation Agent shall use the information of the

directly registered Holders of Parent Equity Interests and serve each directly registered holder on or before the Solicitation Commencement Date.

9. The Debtors shall cause to be served, on or before the Solicitation Commencement Date, the Confirmation Hearing Notice on the Notice Parties.

10. The Debtors shall mail or cause to be mailed to Holders of Claims and Parent Equity Interests entitled to vote on the Plan (collectively, the "Voting Parties"),[3] on or before October 9, 2017 (the "Solicitation Commencement Date"), a solicitation package (the "Solicitation Package"), containing: (i) the Confirmation Hearing Notice, which shall set forth (a) this Bankruptcy Court's approval of the Disclosure Statement, (b) the Voting Deadline with respect to the Plan, (c) the date and time of the Confirmation Hearing, and (d) the deadline and procedures for filing objections to confirmation of the Plan; (ii) a flash drive containing a copy of this Order approving the Motion (without exhibits); and a copy of the Disclosure Statement (together with the Plan and other exhibits annexed thereto);[4] and (iii) the appropriate Ballot to vote to accept or reject the Plan and a pre-addressed, pre-paid return envelope. With respect to Holders of Parent Equity Interests that hold their Parent Equity Interests through a Nominee, these holders will also receive the Option 1—Liquidation Trust Election Form (separately from the Solicitation Package), through which Holders of Parent Equity Interests may elect to have their Parent Equity Interests mandatorily purchased for cancellation (in accordance with the instructions set forth on such form) in exchange for their Pro Rata share of Beneficial Trust Interests in the Liquidation Trust as set forth in the Plan, including a right to receive their Pro Rata share of any other Shareholder Distributable Assets. Holders of Parent Equity Interests that

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[3] The Voting Parties for the Parent Debtor Plan consist of holders of Claims in Class P4 (General Unsecured Claims) and Class P7 (Parent Equity Interests). The Voting Parties for the Subsidiary Debtor Plans consist of holders of Claims in Class 3 (General Unsecured Claims).

[4] Recipients will also be provided with information on how to obtain a free hard-copy of the Disclosure Statement upon request.

hold such interests directly on the books of the transfer agent of Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd.) may make this election directly on their applicable Ballot.

11. The Solicitation Packages and the proposed manner of service thereof satisfy the requirements of Bankruptcy Rule 3017(d).

12. Pursuant to Bankruptcy Rule 3017(d), the Debtors are not required to transmit a Solicitation Package to the Non-Voting Parties. The Debtors shall mail, or cause to be mailed, a Non-Voting Party Notice, including the Opt-Out Notice, to each Non-Voting Party on or before the Solicitation Commencement Date.

13. The Non-Voting Party Notice, including the Opt-Out Notice, substantially in the form attached hereto as Exhibit 4, is approved.

14. The Debtors shall cause to be served on or before the Solicitation Commencement Date, the Solicitation Packages, Confirmation Hearing Notices, and Non-Voting Party Notices, as applicable, to all parties on the Debtors' master mailing matrix on or before the Solicitation Commencement Date, including but not limited to:

(a) all persons or entities identified on the Debtors' schedules of liabilities filed pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007 (as amended or modified prior to the Voting Record Date, the "Schedules"), excluding scheduled Claims that have been (i) superseded by a filed Proof of Claim prior to the Voting Record Date, (ii) disallowed and/or expunged, or (iii) Paid in Full;

(b) all parties who filed proofs of claim, as reflected on the official claims register maintained by the Claims and Solicitation Agent, as of the close of business on the Voting Record Date, and whose Claims have not been either (i) disallowed and/or expunged or (ii) otherwise settled prior to the Solicitation Commencement Date; and

(c) the assignee of a transferred and assigned Claim (whether a filed Claim or a Claim included on the Schedules) if the transfer and assignment has been noted on the Bankruptcy Court's docket and is effective pursuant to Bankruptcy Rule 3001(e) as of the close of business on the Voting Record Date and whose Claims have not been either (i) disallowed and/or expunged or (ii) otherwise satisfied prior to the Solicitation Commencement Date.

15. With respect to addresses from which one or more prior notices served in the Chapter 11 Cases were returned as undeliverable, the Debtors are excused from distributing Solicitation Packages, Confirmation Hearing Notices, and Non-Voting Party Notices, as applicable, to the entities listed at such addresses if the Debtors are unable to obtain accurate addresses for such entities before the Solicitation Commencement Date.

16. The Debtors are excused from re-distributing Solicitation Packages, Confirmation Hearing Notices, and Non-Voting Party Notices that are returned as undeliverable.

17. The Debtors are authorized to make nonsubstantive changes to the Disclosure Statement, the Plan, and related documents without further order of the Bankruptcy Court, including ministerial changes to correct typographical and grammatical errors, and to make conforming changes among the Disclosure Statement, the Plan, and any other materials in the Solicitation Packages prior to mailing, and will provide the Committees with advance notice of any such changes.

18. November 13, 2017 at 5:00 p.m. (ET) is established as the voting deadline (the "Voting Deadline") for purposes of this Order and solicitation of votes with respect to the Plan. In order to be counted as a vote to accept or reject the Plan (and for any other elections on the Ballot to be honored), each Ballot must be properly executed, completed and delivered to the Claims and Solicitation Agent (i) by first-class mail, in the return envelope provided with each Ballot; (ii) by overnight courier; (iii) by hand delivery; or (iv) via Prime Clerk's online balloting portal (as permitted), so that it is actually received by the Claims and Solicitation Agent no later than 5:00 p.m. (ET) on the Voting Deadline, provided, however that with respect to Parent Equity Interests, the Debtors are authorized to send Solicitation Packages to Nominees in paper

format and/or via electronic transmission in accordance with the customary requirements of each Nominee, and Nominees may return their Master Ballots via electronic mail to psgballots@primeclerk.com.

19. In addition to accepting hard copy Ballots via first class mail, overnight courier, and hand delivery, the Debtors may accept Ballots from Holders of General Unsecured Claims and directly registered Holders of Parent Equity Interests via electronic, online transmissions, solely through a customized online balloting portal on the Debtors' case website to be maintained by Prime Clerk. Certain parties entitled to vote may cast an electronic Ballot and electronically sign and submit the Ballot instantly by utilizing the online balloting portal (which allows a holder to submit an electronic signature). The encrypted ballot data and audit trail created by such electronic submission shall become part of the record of any Ballot submitted in this manner and the creditor's electronic signature will be deemed to be immediately legally valid and effective.

20. The declaration of voting results (the "Voting Declaration") shall be filed on or before the third business day after the Voting Deadline.

21. The Ballots, substantially in the form attached hereto as Exhibits 2-A, 2-B, 2-C, 2-D, and 2-E, are approved.

22. All Ballots of Holders of Claims in Parent Debtor Class P4 and Parent Equity Interests in Class P7, and Holders of Claims in Class 3 of each of the Subsidiary Debtor Plans, must be properly executed, completed, and the original thereof shall be delivered to the Claims and Solicitation Agent so as to be actually received no later than the Voting Deadline.

23. Notwithstanding anything contained herein, the following exceptions shall apply with respect to the voting and tabulation procedures:

(a) If a Claim is deemed Allowed under the Plan or pursuant to a stipulation or settlement agreement approved by order of the Bankruptcy Court, the Canadian Court or in accordance with the Claims Resolution Order, such Claim is Allowed for voting purposes in the deemed Allowed amount set forth in the Plan, stipulation or settlement agreement.

(b) If a Proof of Claim has been timely filed prior to the Voting Record Date in an amount that is liquidated and non-contingent, such Claim shall be deemed allowed for voting purposes only and not for purposes of allowance or distribution, in the amount set forth on the Proof of Claim; provided, however, that a party whose Claim has been indefeasibly paid, in full or in part, shall only be permitted to vote the unpaid amount of such Claim, if any, to accept or reject the Plan.

(c) If a Proof of Claim has been timely filed prior to the Bar Date and such Claim is wholly contingent or unliquidated, such Claim shall be temporarily allowed for voting purposes only, and not for purposes of allowance or distribution, in an amount equal to $1.00.

(d) If a Proof of Claim has been timely filed prior to the Bar Date and such Claim is unliquidated or contingent in part, such Claim shall be temporarily allowed for voting purposes only, and not for purposes of allowance or distribution, in the liquidated and non-contingent amount only, less any amounts that have been indefeasibly paid toward such Claim.

(e) If a Proof of Claim has not been timely filed prior to the Bar Date, or a Claim has not been otherwise Allowed prior to the Voting Record Date, and such Claim is reflected in the Debtors' Schedules and is not listed as contingent, unliquidated or disputed, such Claim shall be allowed for voting purposes only in the amount reflected in the Debtors' Schedules; provided, however, that a party whose Claim has been indefeasibly paid as reflected in a notice of satisfaction filed on the docket, in full or in part, shall only be permitted to vote the unpaid amount of such Claim, if any, to accept or reject the Plan.

(f) If a Claim has been scheduled by the Debtors as contingent, unliquidated or disputed, and has not be superseded by a Proof of Claim filed prior to the Voting Record Date, such Claim shall be disallowed for voting purposes.

(g) If a Claim has been estimated or otherwise allowed for voting purposes by order of the Bankruptcy Court, in the Canadian Court or in accordance with a Claims Resolution Order, such Claim is temporarily allowed in the amount so estimated or allowed by the Bankruptcy Court, in the Canadian Court or in accordance with a Claims Resolution Order, for voting purposes only, and not for purposes of distribution.

(h) If the Debtors have served an objection to a Claim or request for estimation as to a Claim on or before October 24, 2017, such Claim is temporarily disallowed for voting purposes only and not for purposes of allowance or distribution, except as set forth in the objection or otherwise ordered by the Bankruptcy Court, in the Canadian Court or in accordance with a Claims Resolution Order, before the Voting Deadline.

(i) For purposes of voting, classification and treatment under the Plan, each entity that holds or has filed more than one (1) Claim, may be treated as if such entity has only one (1) Claim in each applicable Class for each applicable Debtor and the Claims filed by such entity shall be aggregated in each applicable Class for each applicable Debtor and the total dollar amount of such entity's Claims in each applicable Class for each applicable Debtor shall be the sum of the aggregated Claims of such entity in each applicable Class for each applicable Debtor.

24. The following procedures and standard assumptions shall be used in tabulating the Ballots:

(a) For purposes of the numerosity requirement of section 1126(c) of the Bankruptcy Code, separate Claims held by a single Creditor in a particular Class against the same Debtor may be aggregated as if such Creditor held one Claim against the Debtor in such Class, and the votes related to such Claims will be treated as a single vote to accept or reject the Plan as to such Debtor.

(b) Creditors must vote all of their Claims within a particular Class against the same Debtor either to accept or reject the Plan and may not split their vote. Accordingly, an individual Ballot or multiple Ballots with respect to multiple Claims within a single Class against the same Debtor that partially rejects and partially accepts the Plan will not be counted. Each Creditor shall be deemed to have voted the full amount of its Claim against a given Debtor to accept or reject the Plan against such Debtor, even if a different amount is indicated.

(c) Ballots that fail to indicate an acceptance or rejection of the Plan or that indicate both acceptance and rejection of the Plan, but which are otherwise properly executed and received prior to the Voting Deadline, will not be counted.

(d) Except in the Debtors' sole and absolute discretion, acting in good faith after consultation with the Creditors' Committee and Equity Committee, only Ballots that are timely received with appropriate signature(s) will be counted. Unsigned or non-original Ballots and/or untimely Ballots will not be counted; *provided*, *however*, that Ballots cast via the online balloting portal will be deemed to contain an original signature.

(e) Subject to the provisions governing Nominees of beneficial Holders of Parent Equity Interests, only Creditors and Holders of Parent Equity Interests may vote unless a properly executed, written power of attorney is submitted with each Ballot cast, which evidences such Creditor's intention to have such other person complete the Ballot on the Creditor's or Parent Equity Interest Holder's behalf, provided, however, that the Debtors may elect to waive this requirement in their sole and absolute discretion, acting in good faith after consultation with the Creditors' Committee and Equity Committee.

(f) A Creditor whose Claim is subject to a pending objection is not eligible to vote (except as set forth in the objection) unless such objection(s) are resolved in such Creditor's favor, the Debtors and the Creditor stipulate to a Claim for voting purposes only, or, after notice and a hearing pursuant to Bankruptcy Rule 3018(a), the Bankruptcy Court allows the Claim temporarily or estimates the amount of the Claim for purposes of voting to accept or reject the Plan.

(g) Ballots postmarked prior to the Voting Deadline, but received after the Voting Deadline, will not be counted.

(h) Ballots which are illegible, or contain insufficient information to permit the identification of the Creditor or holder of a Parent Equity Interest, will not be counted.

(i) Whenever a Creditor or holder of a Parent Equity Interest casts more than one Ballot voting the same Claim or Parent Equity Interest prior to the Voting Deadline, the last valid Ballot received prior to the Voting Deadline shall be deemed to reflect the voter's intent and supersede any prior Ballots.

(j) If a Creditor or holder of a Parent Equity Interest simultaneously casts inconsistent duplicate Ballots with respect to the same Claim or Parent Equity Interests, such Ballots shall not be counted.

(k) Unless otherwise ordered by the Bankruptcy Court, questions as to the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawal of Ballots shall be determined by the Claims and Solicitation Agent and the Debtors, acting in good faith after consultation with the Creditors' Committee and Equity Committee, which determination shall be final and binding.

(l) Any Ballot containing a vote that this Bankruptcy Court determines, after notice and a hearing, was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code shall not be counted for voting or tabulation purposes.

(m) Any Ballot cast by a person or entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan shall not be counted for voting or tabulation purposes.

(n) Any Ballot voting on account of a Proof of Claim filed after the Bar Date that has not been temporarily allowed for voting purposes by order of this Bankruptcy Court, the Canadian Court or in accordance with a Claims and Resolution Order shall not be counted for voting or tabulation purposes.

(o) Ballots cast for Claims listed in the Debtors' Schedules as contingent, unliquidated or disputed, for which no corresponding Proof of Claim was timely filed before the Voting Record Date, shall not be counted for voting or tabulation purposes.

(p) Except in the Debtors' sole and absolute discretion, acting in good faith after consultation with the Creditors' Committee and Equity Committee, any Ballot transmitted to the Claims and Solicitation Agent by facsimile or other electronic means shall not be counted for voting or tabulation purposes (except as otherwise provided herein).

(q) Subject to contrary order of the Bankruptcy Court, the Debtors reserve the right to reject any and all Ballots not proper in form, the acceptance of which, in the Debtors' opinion, would not be in accordance with the provisions of the Bankruptcy Code; provided, however, that such invalid Ballots shall be documented in the voting results filed with the Bankruptcy Court.

(r) Subject to contrary order of the Bankruptcy Court, the Debtors, in their sole and absolute discretion, acting in good faith after consultation with the Creditors' Committee and Equity Committee, may waive any defect in any Ballot at any time before or after the Voting Deadline and without notice to any party.

25. In the event any Class of Claims against a Debtor does not have a Holder of an Allowed Claim or a Claim temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing, such Class or Classes will be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class as to the applicable Debtor pursuant to section 1129(a)(8) of the Bankruptcy Code.

26. Each Holder of a Claim entitled to vote on the Plan may choose to opt out of those certain releases provided under Article X.B of the Plan, even if such Holder does not otherwise vote to accept or reject the Plan (either by failing to indicate an acceptance or rejection, indicating both an acceptance and a rejection or otherwise submitting a Ballot that is not counted in determining whether the Plan has been accepted or rejected), by timely submitting a Ballot checking the appropriate box indicating an election of the release opt-out by the Voting Deadline. For the avoidance of doubt, each Holder of a Claim in a voting class that does not check the "opt-out" box on its Ballot will be deemed to have irrevocably and unequivocally consented to the third-party releases set forth in Article X.B of the Plan and to be a Releasing Party under the Plan if approved at the Confirmation Hearing. Additionally, each Holder of a Claim in a non-voting class that is deemed to accept the Plan and who does not return a validly executed Opt-Out Notice opting out the of the releases provided in Article X.B of the Plan on or before the Voting Deadline shall be deemed to have irrevocably and unequivocally consented to the third-party releases set forth in Article X.B of the Plan and to be a Releasing Party under the Plan if approved at the Confirmation Hearing. For the further avoidance of doubt, nothing herein is intended or shall be deemed to approve any releases provided under the Plan, which shall be considered at the Confirmation Hearing.

27. In addition, the following additional tabulation procedures shall apply with respect to tabulating Master Ballots:

(a) All Nominees will be required to retain (or cause to be retained) the Beneficial Holder Ballots cast by their respective beneficial Holders (or a record thereof if such vote was otherwise cast in accordance with the Nominees' customary practices) for inspection for a period of one year following the Voting Deadline;

(b) Votes cast by Holders of Parent Equity Interests through Nominees will be applied to the applicable positions held by such Nominees as of the Voting Record Date, as evidenced by the record and depository listings of the

Depository Trust Company and the Canadian Clearing and Depository Securities Inc. Votes submitted by a Nominee shall not be counted in excess of the amount of public securities held by such Nominee as of the Voting Record Date;

(c) If conflicting votes or "over-votes" are submitted by or on behalf of a Nominee, the Claims and Solicitation Agent shall use reasonable efforts to reconcile discrepancies with such Nominee. The submission of a Beneficial Holder Ballot or a Master Ballot reflecting an aggregate number of voting Parent Equity Interests that exceeds the record position as identified on record and depository listings of the Depository Trust Company and the Clearing Depository Securities Inc. respectively, is referred to herein as an "overvote";

(d) If overvotes are submitted by a Nominee which are not reconciled prior to the preparation of the certification of vote results, the votes to accept and to reject the Plan shall be counted in the same proportion as the votes to accept and to reject the Plan submitted by the Nominee, but only to the extent of the Nominee's Voting Record Date position; and

(e) A single Nominee may complete and deliver or cause to be completed or delivered to the Claims and Solicitation Agent multiple Master Ballots. Votes reflected on multiple Master Ballots shall be counted except to the extent that they are duplicative of votes reflected on other Master Ballots. If two or more Master Ballots are inconsistent, the last properly completed Master Ballot received prior to the Voting Deadline shall, to the extent of such inconsistency, supersede any prior received Master Ballot.

Furthermore, the Debtors are authorized to reimburse such Nominees for their reasonable, actual and necessary out-of-pocket expenses incurred in performing or causing to be performed the tasks described above with respect to the distribution of Solicitation Packages and the tabulation of votes upon written request by such entities, with supporting documentation (subject to the Bankruptcy Court retaining jurisdiction to resolve any disputes regarding any request for reimbursement).

28. The Option 1—Liquidation Trust Election Form, substantially in the form attached hereto as Exhibit 3, is approved.

29. The Publication Notice, substantially in the form attached hereto as Exhibit 5, is approved. The Debtors are authorized to cause the Publication Notice to be

published in French in *La Presse,* in English in the National Edition of *The Globe and Mail*, and in English in the National Editions of *USA Today* and *The Wall Street Journal,* in each instance no later than October 13, 2017 or such later date that is the earliest reasonably practicable publication date after approval of the Publication Notice through entry of this Order, and to make reasonable payments required for such publication.

30. The solicitation letter from the Equity Committee to Holders of Parent Equity Interests is approved and may be included in the Solicitation Packages to be sent to Holders of Parent Equity Interests.

31. Any Creditor seeking to have a Claim temporarily allowed for purposes of voting to accept or reject the Plan pursuant to Bankruptcy Rule 3018(a) in any manner or amount that differs from those called for by the procedures and general assumptions set forth herein shall be required to file a motion for such relief no later than 4:00 p.m. (ET) on November 3, 2017, and that the Bankruptcy Court shall schedule a hearing on such motion, if any, for a date on or prior to the Confirmation Hearing.

32. In accordance with section 1125(e) of the Bankruptcy Code, to the fullest extent permitted by law, the Debtors (including their attorneys, accountants, financial advisors, restructuring personnel, balloting agent, other agents, and all other representatives, each solely in their capacity as such) shall not have any liability on account of soliciting votes on the Plan or participating in such solicitation, for violation of any applicable law, rule, or regulation governing solicitation of acceptance or rejection of a plan.

33. The Debtors are authorized to take or refrain from taking any action necessary or appropriate to implement the terms of and the relief granted in this Order without

seeking further order of the Bankruptcy Court, including, but not limited to, the making of any payments reasonably necessary to perform the actions and distributions contemplated herein.

34. This Bankruptcy Court shall retain jurisdiction with respect to all matters arising from or related to the interpretation and/or implementation of this Order.

Dated: October 3, 2017
Wilmington, Delaware

KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Confirmation Hearing Notice

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
OLD BPSUSH INC., *et al.*,[1]	)	Case No. 16-12373 (KJC)
Debtors.	)	(Jointly Administered)
	)	**Voting Deadline: November 13, 2017 at 5:00 p.m. (ET)** **Confirmation Objection Deadline: November 13, 2017 at 4:00 p.m. (ET)** **Confirmation Hearing Date: November 21, 2017 at 11:00 a.m. (ET)**

NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT; (II) DEADLINE FOR VOTING ON THE PLAN; (III) HEARING TO CONSIDER CONFIRMATION OF PLAN; AND (IV) DEADLINE FOR FILING OBJECTIONS TO CONFIRMATION OF PLAN

PLEASE TAKE NOTICE OF THE FOLLOWING:

APPROVAL OF DISCLOSURE STATEMENT

1. By order dated [______], 2017 (the "Disclosure Statement Order"), the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") approved the *Disclosure Statement with Respect to Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ___] (as it may be amended, supplemented or modified from time to time, the "Disclosure Statement") as containing adequate information within the meaning of section 1125 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq*. (the "Bankruptcy Code").

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively) (1514). The Debtors' mailing address is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

CONFIRMATION HEARING

2. On November 21, 2017, at 11:00 a.m. (ET), or as soon thereafter as counsel may be heard, a joint hearing (the "Confirmation Hearing") will be held before the Honorable Kevin J. Carey, United States Bankruptcy Judge, in Courtroom No.5, 5th Floor at the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, Wilmington, Delaware 19801, to consider confirmation of the *Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ____] (as it may be amended, supplemented or modified from time to time pursuant to the terms thereof, the "Plan") and before the Honourable Justice Hainey, 8th Floor, the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court"), 330 University Avenue, Toronto, Ontario M5G 1R7, with the Canadian Court considering issuance of an order (the "CCAA Approval Order") effectuating the Plan in the proceedings pending before the Canadian Court, as applicable.[2] The Confirmation Hearing may be adjourned or postponed, from time to time, without further notice to creditors, shareholders or other parties in interest other than by an announcement of such an adjournment or postponement in open court at the Confirmation Hearing. The Plan may be modified in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the CCAA, the terms of the Plan, and other applicable law, without further notice, prior to, or as a result of, the Confirmation Hearing.

ENTITLEMENT TO VOTE ON PLAN

3. In accordance with the terms of the Plan and the Bankruptcy Code, holders of Claims that are unimpaired by the Plan are deemed to have accepted the Plan and therefore are not entitled to vote on the Plan. Holders of Parent Equity Interests and holders of Claims against the Debtors that are impaired by the Plan and that will receive a distribution on account of such Claims are entitled to vote on the Plan.

4. October 3, 2017 has been established by the Bankruptcy Court as the record date (the "Voting Record Date") for determining the parties entitled to receive solicitation or notice materials in connection with the Plan and to vote on the Plan.

SUMMARY OF TREATMENT OF CLAIMS UNDER THE PLAN

5. The Plan proposes to modify the rights of certain Holders of Claims and Holders of Parent Equity Interests. Claims and Equity Interests are classified for all purposes, including voting, confirmation, and distribution pursuant to the Plan, as follows:

(a) Parent Debtor Plan: Claims Against and Equity Interests in Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd.).

[2] All capitalized terms used in this Notice but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement or the Plan, as applicable.

Class	Claim or Equity Interest	Estimated Recovery	Treatment
P1	Secured Claims	100%	On or as soon as practicable after the Effective Date, each Holder of a Class P1 Allowed Secured Claim, if any, shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Secured Claim: (a) the return of the Collateral securing such Allowed Secured Claim; (b) Cash equal to 100% of the amount of such Allowed Secured Claim and Post-Petition Interest required to be paid under section 506(b) of the Bankruptcy Code; (c) such other treatment as will render the Holder of such Allowed Secured Claim Unimpaired; or (d) such other treatment as to which the Holder of such Allowed Secured Claim has agreed to in writing.
P2	Priority Non-Tax Claims	100%	Unless the Holder agrees to a different treatment, on or as soon as practicable after the later of the Effective Date or the date a Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, each Holder of an Allowed Priority Non-Tax Claim shall receive Payment in Full in Cash with Post-Petition Interest, or such other treatment as will render the Allowed Priority Non-Tax Claim Unimpaired.
P3	SEC Claim	To Be Determined	To Be Determined
P4	General Unsecured Claims	100%	To the extent not already Paid in Full or otherwise satisfied prior to the Effective Date, on or as soon as practicable after the later of (i) the Effective Date or (ii) the date a General Unsecured Claim becomes an Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive Payment in Full in Cash of the Allowed amount of its Claim. For the avoidance of doubt, in accordance with the Global Settlement, Holders of Allowed General Unsecured Claims shall not receive Post-Petition Interest on account of such Allowed General Unsecured Claims.

Class	Claim or Equity Interest	Estimated Recovery	Treatment
P5	Intercompany Claims	Reinstated	On or after the Effective Date, each Intercompany Claim shall be Reinstated, subject to the rights of Holders of General Unsecured Claims in Class P4 under the Plan (including the Global Settlement) and the CCAA Approval Order, and any Cash or Assets of the U.S. Debtors that are required to be distributed pursuant to the Plan (including the Retained Causes of Action and Liquidation Trust Expense Reserve) shall be transferred by the U.S. Debtors to the Reorganized Parent Debtor in satisfaction of the same amount of such applicable Intercompany Claims, and Intercompany Claims shall receive such additional or different treatment as will be set forth in the Plan Supplement.
P6	Individual Securities Damages Claim	100%	To the extent that the Individual Securities Damages Claim is Allowed by a Final Order, as soon as reasonably practicable thereafter, the Distribution Agent shall pay such Allowed Claim in Cash and solely from and up to the amount of the Individual Securities Damages Claim Reserve, subject to the rights of Holders of General Unsecured Claims to the prior Payment in Full of such Holders' Allowed Claims under the Plan (including the Global Settlement). For the avoidance of doubt, the Individual Securities Damages Claim shall not receive any distribution on account of any Allowed Individual Securities Damages Claim in excess of the Individual Securities Damages Claim Reserve, and such Claim shall not be treated as a Parent Equity Interest notwithstanding section 510(b) of the Bankruptcy Code and the CCAA.
P7	Parent Equity Interests	Pro Rata share of Shareholder Distributable Assets, which is anticipated to be within a range of $___ to $___ per share	Holders of Parent Equity Interests will receive their Pro Rata share of the Shareholder Distributable Assets under, and subject to, the Plan (including the Global Settlement) and the CCAA Approval Order. The Plan allows Holders of Parent Equity Interests to elect to receive certain of such Plan consideration in the form of either Beneficial Trust Interests (and a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with the Plan) in exchange for their Parent Equity Interests, or to retain their Parent Equity Interests. Holders of Beneficial Trust Interests and Holders of Parent Equity Interests will receive distributions of equal amounts of Cash under the Plan per Parent Equity Interests on a Pro-Rata basis (other than differences attributable to the differing tax treatment

Class	Claim or Equity Interest	Estimated Recovery	Treatment
			of the Liquidation Trust and the Reorganized Parent Debtor that may consequently result in more or less favorable recoveries to Holders of Parent Equity Interests after consideration of the potentially differing rates and basis of taxation of the individual Holders). Article V.B.3 of the Plan further describes the distributions that will be made to Holders of Parent Equity Interests and Beneficial Trust Interests. The Plan provides the following two options for receiving Plan consideration to Holders of Allowed Parent Equity Interests: <u>Option 1</u>: Beneficial Holders of Allowed Parent Equity Interests may elect to have their Parent Equity Interests mandatorily purchased and cancelled in exchange for their Pro Rata share of Beneficial Trust Interests (and a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with the Plan) ("<u>Option 1</u>"). To elect Option 1, beneficial Holders of Allowed Parent Equity Interests must submit an Option 1—Liquidation Trust Election Form on or before the Liquidation Trust Election Bar Date using the instructions set forth therein. The Debtors shall cause the Option 1—Liquidation Trust Election Form to be mailed to Holders of Allowed Parent Equity Interests through the Holders of record at the same time as votes on the Plan are solicited from Holders of Parent Equity Interests, as set forth in the Disclosure Statement Order. Subject to the terms of the Plan and at the time prescribed by the Plan, the Holders of Allowed Parent Equity Interests who elect Option 1 shall have their Parent Equity Interests mandatorily purchased and cancelled in exchange for (i) a deemed distribution of the Liquidation Trust Assets attributable to them, (ii) a deemed distribution of their Pro Rata share of the Liquidation Trust Expense Reserve (followed immediately by a deemed contribution of such Pro Rata share to the Liquidation Trust) in accordance with the Plan, and (iii) a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with the Plan. The Holders of Parent Equity Interests electing to receive Beneficial Trust Interests as set forth in the Plan shall be

Class	Claim or Equity Interest	Estimated Recovery	Treatment
			deemed to immediately contribute their share of Liquidation Trust Assets to the Liquidation Trust. Beneficial Holders of Allowed Parent Equity Interests may elect Option 1 or Option 2 only for all of their Allowed Parent Equity Interests. All beneficial Holders of Allowed Parent Equity Interests who fail to timely submit the Option 1—Liquidation Trust Election Form, who fail to properly make an election on the Option 1—Liquidation Trust Election Form, who make an election with respect to less than all of their Parent Equity Interests or who fail to take any action under the Plan shall be deemed to have elected Option 2 under the Plan. Option 2: All Holders of Allowed Parent Equity Interests who do not elect Option 1 by the Liquidation Trust Election Bar Date or who are deemed to have elected Option 2 shall retain their Allowed Parent Equity Interests through the Final Distribution Date ("Option 2"). On or after the Final Distribution Date, the Reorganized Parent Debtor shall be dissolved and all remaining Allowed Parent Equity Interests shall be cancelled. If any Holder of Allowed Parent Equity Interests elects Option 1 and the Liquidation Trust is subject to adverse tax consequences in Canada as a result of such Holder holding Beneficial Trust Interests, any transfer to such Holder and the cancellation of such Holder's Parent Equity Interests shall be void ab initio and Reorganized Parent, the Holder and the Liquidation Trust shall treat such Holder at all times as if such Holder had elected Option 2 (the "Disallowed Election"). While neither the Debtors nor the Official Equity Committee is providing tax advice to individual Beneficial Holders, and each Beneficial Holder should consult their own tax advisor before deciding whether or not to elect to have Parent Equity Interests mandatorily purchased for cancellation, in general, it would be advantageous for (i) Beneficial Holders who are, or are deemed to be, residents of the United States for purposes of the Internal Revenue Code (United States), to elect Option 1, and (ii) Beneficial Holders who are, or are deemed to be, residents of Canada for purposes of the Income Tax Act (Canada), to elect Option 2.

(b) Subsidiary Debtor Plans: Claims Against and Equity Interests in Subsidiary Debtors.

Class	Claim or Equity Interest	Estimated Percentage Recovery	Treatment
1	Secured Claims	100%	On or as soon as practicable after the Effective Date, each Holder of a Class 1 Allowed Secured Claim, if any, shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Secured Claim: (a) the return of the Collateral securing such Allowed Secured Claim; (b) Cash equal to 100% of the amount of such Allowed Secured Claim and Post-Petition Interest required to be paid under section 506(b) of the Bankruptcy Code; (c) such other treatment as will render the Holder of such Allowed Secured Claim Unimpaired; or (d) such other treatment as to which the Holder of such Allowed Secured Claim has agreed to in writing.
2	Priority Non-Tax Claims	100%	Unless the Holder agrees to a different treatment, on or as soon as practicable after the later of the Effective Date or the date a Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, each Holder of an Allowed Priority Non-Tax Claim shall receive Payment in Full in Cash with Post-Petition Interest, or such other treatment as will render the Allowed Priority Non-Tax Claim Unimpaired.
3	General Unsecured Claims	100%	To the extent not already Paid in Full or otherwise satisfied prior to the Effective Date, on or as soon as practicable after the later of (i) the Effective Date or (ii) the date a General Unsecured Claim becomes an Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive Payment in Full in Cash of the Allowed amount of its Claim. For the avoidance of doubt, Holders of Allowed General Unsecured Claims shall not receive Post-Petition Interest

Class	Claim or Equity Interest	Estimated Percentage Recovery	Treatment
			on account of such Allowed General Unsecured Claims.
4	Intercompany Claims	Reinstated	On or after the Effective Date, each Intercompany Claim shall be Reinstated, subject to the rights of Holders of General Unsecured Claims in Class 3 under the Plan (including the Global Settlement) and the CCAA Approval Order, and any Cash or Assets of the U.S. Debtors that are required to be distributed pursuant to the Plan (including the Retained Causes of Action and Liquidation Trust Expense Reserve) shall be transferred by the U.S. Debtors to the Reorganized Parent Debtor in satisfaction of the same amount of such applicable Intercompany Claims, and any other Intercompany Claims shall receive such additional or different treatment as will be set forth in the Plan Supplement.
5	Intercompany Equity Interests	Reinstated	On the Effective Date, the Holders of Class 5 Intercompany Equity Interests in each Subsidiary Debtor shall receive such treatment as set forth in the Plan Supplement, subject to the rights of Holders of General Unsecured Claims in Class 3 under the Plan (including the Global Settlement) and the CCAA Approval Order.

DEADLINE FOR VOTING ON THE PLAN

6. November 13, 2017 (ET) (the "Voting Deadline") is established as the deadline by which Ballots accepting or rejecting the Plan must be received. To be counted, an original duly completed Ballot must actually be received on or prior to the Voting Deadline by Prime Clerk, LLC (the "Claims and Solicitation Agent"). Ballots must be either (i) mailed to PSG Ballot Processing, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022, (ii) delivered by hand or overnight courier to PSG Ballot Processing, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022, during normal business hours, or (iii) submitted via the online balloting portal by visiting https://cases.primeclerk.com/PSG/, clicking

on "Submit E-Ballot" and following the instructions on the website. Except in the Debtors' discretion and as provided above, any Ballot transmitted to the Claims and Solicitation Agent by facsimile or other electronic means shall not be counted.

INJUNCTION, RELEASES AND EXCULPATION

7. The Plan contains certain injunction, release, and exculpation provisions in Article X of the Plan, set forth below. Parties are encouraged to review the Plan, including Article X of the Plan, in its entirety.

A. Certain Releases by the Debtors

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, AS OF THE EFFECTIVE DATE, AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, FOR GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, THE DEBTOR RELEASEES ARE DEEMED RELEASED AND DISCHARGED BY THE LIQUIDATION TRUST, THE DEBTORS AND THE ESTATES, FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, REMEDIES, CAUSES OF ACTION, RIGHTS OF SETOFF, OTHER RIGHTS, AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR THAT COULD BE ASSERTED DIRECTLY OR INDIRECTLY ON BEHALF OF THE LIQUIDATION TRUST, THE DEBTORS, OR THE ESTATES, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, AND ANY AND ALL CAUSES OF ACTION ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED ON BEHALF OF THE LIQUIDATION TRUST, THE DEBTORS, OR THE ESTATES (WHETHER INDIVIDUALLY OR COLLECTIVELY) BASED ON, RELATING TO OR ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE ESTATES OR THE DEBTORS' SUBSIDIARIES, THE CONDUCT OF THE DEBTORS' BUSINESSES, THE OUT-OF-COURT EFFORTS TO RESTRUCTURE OR LIQUIDATE THE DEBTORS, THE FILING AND PROSECUTION OF THE CHAPTER 11 CASES OR THE CCAA PROCEEDINGS, THE PREPETITION CONTRACTS AND AGREEMENTS WITH ANY DEBTOR OR ANY ESTATE, ALL TO THE EXTENT SUCH ACTS OR OCCURRENCE TOOK PLACE PRIOR TO THE PETITION DATE (COLLECTIVELY, THE "<u>RELEASED LIABILITIES</u>"); PROVIDED, HOWEVER, THAT AS TO ANY EMPLOYEES OF THE DEBTORS WHO ARE INSURED PERSONS (SUCH EMPLOYEES, "<u>INSURED EMPLOYEES</u>"), THE DEBTORS, THE ESTATES AND THE LIQUIDATION TRUST, AS APPLICABLE, SHALL BE PERMITTED TO PURSUE THE INSURED EMPLOYEES FOR ANY RELEASED LIABILITIES (THE "<u>PERMITTED ACTIONS</u>") SO LONG AS ALL RECOURSE FOR THE PERMITTED ACTIONS AGAINST SUCH INSURED EMPLOYEES SHALL BE LIMITED IN ALL RESPECTS TO APPLICABLE INSURANCE PROCEEDS ACTUALLY AVAILABLE AND THE INSURED EMPLOYEES SHALL HAVE NO PERSONAL LIABILITY RELATED TO ANY PERMITTED ACTIONS. NOTWITHSTANDING ANYTHING CONTAINED HEREIN,

AN INSURED EMPLOYEE SHALL RECEIVE THE BENEFIT OF THE RELEASE PROVISIONS CONTAINED IN THIS ARTICLE X.A OF THE PLAN ONLY IF, PRIOR TO THE EFFECTIVE DATE, THE DEBTORS HAVE OBTAINED THE CONSENT OF THE [D&O INSURERS], IN FORM AND SUBSTANCE ACCEPTABLE TO THE EQUITY COMMITTEE IN ITS DISCRETION, CONFIRMING THAT THE RIGHTS OF THE DEBTORS, THE ESTATES AND THE LIQUIDATION TRUST TO PURSUE ALL APPLICABLE INSURANCE POLICIES ON ACCOUNT OF THE PERMITTED ACTIONS AND OBTAIN RECOVERIES THEREUNDER IN RESPECT TO THE PERMITTED ACTIONS SHALL NOT BE AFFECTED, IMPAIRED, OR COMPROMISED IN ANY WAY BY THE RELEASES OF THE DEBTOR RELEASEES OR ANY OTHER INSURED EMPLOYEE GRANTED IN THIS ARTICLE X.A. TO THE EXTENT SUCH CONSENT HAS NOT BEEN OBTAINED FROM THE [D&O INSURERS] PRIOR TO THE EFFECTIVE DATE, THE RELEASES GRANTED IN THIS ARTICLE X.A TO ANY INSURED EMPLOYEE SHALL BE NULL AND VOID. FOR THE AVOIDANCE OF DOUBT, EXCEPT TO THE EXTENT EXPRESSLY PROVIDED UNDER THIS PLAN IN RESPECT TO THE DEBTOR RELEASEES, NO RELEASE IS BEING GRANTED TO ANY PERSON OR ENTITY UNDER THIS PLAN.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT’S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE RELEASES SET FORTH IN THIS ARTICLE X.A, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT SUCH RELEASE IS: (A) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE DEBTOR RELEASEES; (B) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THIS ARTICLE X.A; (C) IN THE BEST INTERESTS OF THE DEBTORS AND THEIR ESTATES; (D) FAIR, EQUITABLE, AND REASONABLE; (E) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (F) A BAR TO ANY PERSON ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED BY THIS ARTICLE X.A.

B. Certain Releases by Holders of Claims

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, AS OF THE EFFECTIVE DATE, THE THIRD-PARTY RELEASEES SHALL BE DEEMED TO HAVE BEEN CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED BY THE RELEASING PARTIES FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, REMEDIES, CAUSES OF ACTION, RIGHTS OF SETOFF, OTHER RIGHTS, AND LIABILITIES WHATSOEVER, WHETHER FOR TORT, CONTRACT, VIOLATIONS OF FEDERAL, PROVINCIAL OR STATE SECURITIES LAWS, AVOIDANCE ACTIONS, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED DIRECTLY OR INDIRECTLY ON BEHALF OF THE RELEASING PARTIES OR THEIR AFFILIATES, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED,

KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, AND ANY AND ALL CAUSES OF ACTION ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED ON BEHALF OF THE RELEASING PARTIES OR THEIR AFFILIATES (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM, BASED ON OR IN ANY WAY RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE LIQUIDATION TRUST, THE DEBTORS, THE DEBTORS' ESTATES OR THE DEBTORS' SUBSIDIARIES, THE CONDUCT OF THE DEBTORS' BUSINESSES, THE IN-COURT OR OUT-OF-COURT EFFORTS TO RESTRUCTURE OR LIQUIDATE THE DEBTORS, THE FORMULATION, PREPARATION, SOLICITATION, DISSEMINATION, NEGOTIATION, OR FILING OF THE DISCLOSURE STATEMENT OR THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), OR ANY CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH OR PURSUANT TO THE DISCLOSURE STATEMENT, THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), THE FILING AND PROSECUTION OF THE CHAPTER 11 CASES OR THE CCAA PROCEEDINGS, THE PURSUIT OF CONFIRMATION, THE PURSUIT OF CONSUMMATION, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM THAT IS TREATED IN THIS PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE LIQUIDATION TRUST, THE DEBTORS, THE DEBTORS' ESTATES OR THE DEBTORS' SUBSIDIARIES, ON THE ONE HAND, AND ANY RELEASING PARTIES, ON THE OTHER HAND, PREPETITION CONTRACTS AND AGREEMENTS WITH ANY DEBTOR, OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE BEFORE THE EFFECTIVE DATE.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE RELEASES SET FORTH IN THIS ARTICLE X.B, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT SUCH RELEASE IS: (A) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE THIRD-PARTY RELEASEES; (B) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THIS ARTICLE X.B; (C) IN THE BEST INTERESTS OF THE DEBTORS AND THEIR ESTATES; (D) FAIR, EQUITABLE, AND REASONABLE; (E) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (F) A BAR TO ANY PERSON ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED BY THIS ARTICLE X.B.

C. Exculpation

EFFECTIVE AS OF THE EFFECTIVE DATE, NONE OF THE EXCULPATED PARTIES SHALL HAVE OR INCUR ANY LIABILITY TO ANY HOLDER OF ANY CLAIM OR EQUITY INTEREST, THE DEBTORS' ESTATES OR ANY SUCCESSOR THERETO, OR ANY OTHER PARTY (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, INCLUDING THE FORMULATION, NEGOTIATION AND EXECUTION OF THE PURCHASE AGREEMENT, THE SALE OF THE DEBTORS' ASSETS PURSUANT TO THE PURCHASE AGREEMENT, OBTAINING DEBTOR-IN-POSSESSION FINANCING IN CONNECTION WITH THE CHAPTER 11 CASES AND THE CCAA PROCEEDINGS, THE FORMULATION, NEGOTIATION AND EXECUTION OF THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), THE DISCLOSURE STATEMENT, THE SOLICITATION OF VOTES FOR AND THE PURSUIT OF CONFIRMATION OF THIS PLAN, THE CONSUMMATION OF THIS PLAN, OR THE ADMINISTRATION OF THIS PLAN, AND THE PROPERTY TO BE DISTRIBUTED UNDER THIS PLAN, INCLUDING ALL DOCUMENTS ANCILLARY THERETO, ALL DECISIONS, ACTIONS, INACTIONS AND ALLEGED NEGLIGENCE OR MISCONDUCT RELATING THERETO AND ALL POSTPETITION ACTIVITIES LEADING TO THE PROMULGATION AND CONFIRMATION OF THIS PLAN (INCLUDING ANY OTHER POST-PETITION ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH OR IN CONTEMPLATION OF THE RESTRUCTURING OR LIQUIDATION OF THE DEBTORS), EXCEPT IN CASE OF FRAUD, WILLFUL MISCONDUCT, OR GROSS NEGLIGENCE BY SUCH EXCULPATED PARTY AS DETERMINED BY A FINAL ORDER OF THE BANKRUPTCY COURT OR THE CANADIAN COURT. EFFECTIVE AS OF THE EFFECTIVE DATE, NO PERSON (INCLUDING THE LIQUIDATION TRUSTEE) SHALL HAVE ANY RIGHT OF ACTION, EITHER DIRECT OR DERIVATIVE OF THE ESTATES, AGAINST THE EXCULPATED PARTIES FOR ANY EXCULPATED ACTIONS, PROVIDED, HOWEVER, THAT NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS PLAN, THE EXCULPATION OF THE DEBTORS' DIRECTORS ARE SUBJECT TO SECTION 5.1(2) OF THE CCAA.

D. Injunction

UPON THE OCCURRENCE OF THE EFFECTIVE DATE, ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS AND OTHER PARTIES IN INTEREST, ALONG WITH THEIR RESPECTIVE PRESENT OR FORMER AFFILIATES, EMPLOYEES, AGENTS, ATTORNEYS, ADVISORS, OFFICERS, DIRECTORS, PARTNERS OR PRINCIPALS, TO THE EXTENT CONSISTENT WITH THIS PLAN, SHALL BE ENJOINED FROM TAKING ANY ACTIONS TO INTERFERE WITH THE IMPLEMENTATION OF THIS PLAN, AND ARE PERMANENTLY ENJOINED AND FOREVER BARRED FROM TAKING ANY ACTION AGAINST THE EXCULPATED PARTIES, DEBTOR RELEASEES OR THIRD-PARTY RELEASEES, AND THEIR RESPECTIVE ASSETS, THAT IS INCONSISTENT WITH THE TERMS OF THIS PLAN, INCLUDING AN INJUNCTION FROM (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY CLAIMS OR EQUITY INTERESTS; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD,

DECREE, OR ORDER ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS; (C) CREATING, PERFECTING, OR ENFORCING ANY ENCUMBRANCE OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS; (D) ASSERTING ANY RIGHT OF SETOFF, SUBROGATION, OR RECOUPMENT OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS; AND (E) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS RELEASED, EXCULPATED, SETTLED OR OTHERWISE ADDRESSED PURSUANT TO THIS PLAN, EXCEPT ON TERMS CONSISTENT WITH THIS PLAN.

DEADLINE FOR OBJECTIONS TO THE PLAN

8. Objections to confirmation of, or proposed modifications to, the Plan, if any, must (i) be in writing; (ii) state the name and address of the objecting party; (iii) state the amount (if applicable) and nature of the Claim of, or number of Parent Equity Interests held by, such party; (iv) state with particularity the basis and nature of any objection to the Disclosure Statement and/or Plan and proposed modifications to the Plan that would resolve such objection; and (v) be filed, together with proof of service, with the Bankruptcy Court and served so that they are received no later than November 13, 2017 at 4:00 p.m. (ET) (the "Confirmation Objection Deadline") by the following parties: (i) co-counsel to the Debtors, (1) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas New York, New York 10019 (Attn: Kelley A. Cornish and Alice Belisle Eaton), and (2) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801 (Attn: Pauline K. Morgan, Sean T. Greecher, and Justin H. Rucki); (ii) counsel to the Equity Committee, (1) Brown Rudnick LLP, Seven Times Square, New York, New York 10036 (Attn: Robert J. Stark and Andrew M. Carty), (2) Brown Rudnick LLP, One Financial Center, Boston, MA 02111 (Attn: Steven B. Levine), and (3) Montgomery McCracken Walker & Rhoads LLP, 1105 North Market Street, 15th Floor, Wilmington, Delaware 19801 (Attn: Mark A. Fink); and (iii) counsel to the Creditors' Committee, (1) Blank Rome LLP, 1201 Market Street, Suite 800, Wilmington, Delaware 19801 (Attn: Stanley B. Tarr and Josef W. Mintz), and (2) Blank Rome LLP, The Chrysler Building, 405 Lexington Avenue, New York, New York 10174 (Attn: Michael B. Schaedle); (iv) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Mark S. Kenney); and (v) counsel to the Monitor, Thornton Grout Finnigan LLP, 100 Wellington Street West, Suite 3200, Toronto, Ontario M5K 1K7 (Attn: Robert Thornton and Rachel Bengino). Objections that are not timely filed and served in the manner set forth above may not be considered by the Bankruptcy Court.

COPIES OF THE PLAN AND DISCLOSURE STATEMENT

9. Copies of the Disclosure Statement and the Plan are available for inspection during regular business hours, Monday through Friday 8:00 a.m. to 4:00 p.m., excluding federal holidays, at the office of the clerk of the Bankruptcy Court, 3rd Floor, 824 North Market Street, Wilmington, Delaware 19801. In addition, copies of the Plan and Disclosure Statement may be obtained by visiting the website maintained by the Debtors' Claims

and Solicitation Agent in the Chapter 11 Cases, https://cases.primeclerk.com/PSG/; by contacting the Debtors' Claims and Solicitation Agent, Prime Clerk, LLC, via telephone at (855) 631-5352 or via email at psgballots@primeclerk.com; or from the Bankruptcy Court's website, www.deb.uscourts.gov, for a fee. A PACER login and password are required to access documents on the Bankruptcy Court's website and these can be obtained through the PACER Service Center at https://www.pacer.psc.uscourts.gov. Electronic copies of the Plan and Disclosure Statement may also be obtained by visiting the Monitor's website at www.ey.com/ca/psg and will be available following the Confirmation Hearing on SEDAR at www.sedar.com and on the SEC's website at www.sec.gov.

Dated: _________, 2017
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

____

Pauline K. Morgan (No. 3650)
Sean T. Greecher (No. 4484)
Justin H. Rucki (No. 5304)
Shane M. Reil (No. 6195)
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1000 North King Street
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-and-

PAUL, WEISS, RIFKIND,
WHARTON & GARRISON LLP
Kelley A. Cornish
Alice Belisle Eaton
Claudia R. Tobler
Christopher Hopkins
1285 Avenue of the Americas
New York, New York 10019
Telephone: (212) 373-3000
Facsimile: (212) 757-3990

Co-Counsel to the Debtors and Debtors in Possession

Exhibit 2-A

Form of Ballot for Parent Debtor Class P4 General Unsecured Claims

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
OLD BPSUSH INC., *et al.*,[1]	Case No. 16-12373 (KJC)
Debtors.	(Jointly Administered)
	Voting Deadline: November 13, 2017 at 5:00 p.m. (ET) **Confirmation Objection Deadline: November 13, 2017 at 4:00 p.m. (ET)** **Confirmation Hearing Date: November 21, 2017 at 11:00 a.m. (ET)**

BALLOT FOR CLASS P4 GENERAL UNSECURED CLAIMS AGAINST

OLD PSG WIND-DOWN LTD. (F/K/A PERFORMANCE SPORTS GROUP LTD.)

FOR ACCEPTING OR REJECTING JOINT CHAPTER 11 PLAN OF LIQUIDATION OF OLD BPSUSH INC. AND ITS AFFILIATED DEBTORS

THE VOTING DEADLINE BY WHICH YOUR DULY COMPLETED BALLOT MUST BE ACTUALLY RECEIVED BY THE CLAIMS AND SOLICITATION AGENT IS NOVEMBER 13, 2017, AT 5:00 P.M. (ET) (THE "VOTING DEADLINE").

IF YOUR DULY COMPLETED BALLOT IS NOT ACTUALLY RECEIVED ON OR PRIOR TO THE VOTING DEADLINE, THE VOTE REPRESENTED BY YOUR BALLOT WILL NOT BE COUNTED.

This ballot (the "Ballot") is being provided to you by the above-captioned debtors and debtors in possession (the "Debtors") to solicit your vote to accept or reject the *Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ___] (as it may be amended, supplemented or modified from time to time pursuant to the terms thereof, the "Plan")[2] submitted by the Debtors and

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively) (1514). The Debtors' mailing address is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

[2] All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement or the Plan, as applicable.

described in the related *Disclosure Statement with Respect to Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ___] (as it may be amended, supplemented or modified from time to time, the "Disclosure Statement"), that was approved by an order [Docket No. __] of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Disclosure Statement describes the Plan and provides information to assist you in deciding how to cast your Ballot. Bankruptcy Court approval of the Disclosure Statement does not indicate Court approval of the Plan. If you do not have a copy of the Disclosure Statement or Plan, you may obtain a copy free of charge on the dedicated webpage of Prime Clerk LLC (the "Claims and Solicitation Agent") at https://cases.primeclerk.com/PSG/. Copies of the Disclosure Statement and Plan are also available: (a) for a fee, on the Bankruptcy Court's website, www.deb.uscourts.gov (a PACER account is required); (b) upon written request to the Claims and Solicitation Agent at PSG Ballot Processing, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022, by telephone at (855) 631-5352, or (c) by contacting the Claims and Solicitation Agent electronically by submitting an inquiry via psgballots@primeclerk.com. Electronic copies of the Plan and Disclosure Statement may also be obtained by visiting the Monitor's website at www.ey.com/ca/psg and will be available following the Confirmation Hearing on SEDAR at www.sedar.com and on SEC's website at www.sec.gov.

IMPORTANT

You should review the Disclosure Statement and the Plan before you vote. You should seek your own legal, business, financial or tax advice concerning the Plan, your individual tax consequences and your classification and treatment under the Plan. Your Claim has been placed in Class P4 – General Unsecured Claims under the Plan.

If your duly completed Ballot is not actually received by the Claims and Solicitation Agent on or prior to the Voting Deadline, and such deadline is not extended by the Debtors, your vote will not count as either an acceptance or rejection of the Plan. If the Plan is confirmed by the Bankruptcy Court it will be binding on you whether or not you vote.

You may return your Ballot in the return envelope provided in your package or in the alternative, return your Ballot, via first class mail, hand delivery, or overnight courier, to:

PSG Ballot Processing,
c/o Prime Clerk LLC
830 Third Avenue, 3rd Floor
New York, New York 10022

Alternatively, to submit your Ballot via the Notice and Claims Agent's online balloting portal, visit https://cases.primeclerk.com/psg. Click on the "Submit E-Ballot" section of the website and follow the instructions to submit your Ballot.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized electronic Ballot:

Unique E-Ballot ID#:____

ACCEPTANCE OR REJECTION OF THE PLAN

Item 1. Vote Amount. For purposes of voting to accept or reject the Plan, as of October 3, 2017 (the "Voting Record Date"), the undersigned (the "Claimant") was a holder of a Class P4 General Unsecured Claim in the aggregate amount set forth below.

Voting Amount: $____

Item 2. Vote on Plan. CHECK ONE BOX ONLY:

☐ **ACCEPTS (votes FOR) the Plan**

☐ **REJECTS (votes AGAINST) the Plan**

Item 3. Opt Out Election. By checking the box below, the Claimant elects **NOT** to release the Released Parties as set forth in Article X.B of the Plan. **IF YOU DO NOT CHECK THE BOX BELOW, YOU WILL BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND FOREVER RELEASED AND DISCHARGED THE RELEASED PARTIES FROM ANY AND ALL CLAIMS AND CAUSES OF ACTION TO THE EXTENT PROVIDED IN ARTICLE X.B OF THE PLAN.**

☐ **The Claimant elects NOT to grant (OPTS OUT of) the releases set forth in Article X.B of the Plan**.

IMPORTANT INFORMATION REGARDING THE RELEASES

Following confirmation, subject to certain conditions set forth in the Plan, the Plan will be substantially consummated on the Effective Date. Among other things, effective as of the Confirmation Date but subject to the occurrence of the Effective Date, certain release, injunction, and exculpation provisions set forth in Article X of the Plan will become effective. In determining how to cast your vote on the Plan, it is important to read the provisions contained in Article X of the Plan very carefully so that you understand how confirmation and substantial consummation of the Plan—which effectuates such provisions—will affect you and any Claim(s) you may hold against the Released Parties under the Plan.

Specifically, the third-party releases in Article X.B of the Plan (the "Releases") bind the "Releasing Parties," which the Plan defines as "each Holder of a Claim that (i) affirmatively votes to accept this Plan; (ii) is Unimpaired pursuant to this Plan and therefore is deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code; or (iii) rejects this Plan or abstains from voting on this Plan and that does not mark its Ballot indicating its desire to opt out of the releases provided in Article X.B of this Plan. For the avoidance of doubt, 'Releasing Party' shall not include Holders of Parent Equity Interests, or Holders of Claims that either: (a) are deemed to reject this Plan pursuant to section 1126(g) of the Bankruptcy Code; (b) are entitled to vote on this Plan and opt out of granting the releases provided in Article X.B of this Plan by checking the appropriate box on the Ballot; or (c) are deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code and opt out of granting the releases provided in Article X.B of this Plan by checking the appropriate box on the Opt-Out Notice." The Releases in Article X.B. of the Plan provide as follows:

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, AS OF THE EFFECTIVE DATE, THE THIRD-PARTY RELEASEES SHALL BE DEEMED TO HAVE BEEN CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED BY THE

RELEASING PARTIES FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, REMEDIES, CAUSES OF ACTION, RIGHTS OF SETOFF, OTHER RIGHTS, AND LIABILITIES WHATSOEVER, WHETHER FOR TORT, CONTRACT, VIOLATIONS OF FEDERAL, PROVINCIAL OR STATE SECURITIES LAWS, AVOIDANCE ACTIONS, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED DIRECTLY OR INDIRECTLY ON BEHALF OF THE RELEASING PARTIES OR THEIR AFFILIATES, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, AND ANY AND ALL CAUSES OF ACTION ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED ON BEHALF OF THE RELEASING PARTIES OR THEIR AFFILIATES (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM, BASED ON OR IN ANY WAY RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE LIQUIDATION TRUST, THE DEBTORS, THE DEBTORS' ESTATES OR THE DEBTORS' SUBSIDIARIES, THE CONDUCT OF THE DEBTORS' BUSINESSES, THE IN-COURT OR OUT-OF-COURT EFFORTS TO RESTRUCTURE OR LIQUIDATE THE DEBTORS, THE FORMULATION, PREPARATION, SOLICITATION, DISSEMINATION, NEGOTIATION, OR FILING OF THE DISCLOSURE STATEMENT OR THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), OR ANY CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH OR PURSUANT TO THE DISCLOSURE STATEMENT, THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), THE FILING AND PROSECUTION OF THE CHAPTER 11 CASES OR THE CCAA PROCEEDINGS, THE PURSUIT OF CONFIRMATION, THE PURSUIT OF CONSUMMATION, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM THAT IS TREATED IN THIS PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE LIQUIDATION TRUST, THE DEBTORS, THE DEBTORS' ESTATES OR THE DEBTORS' SUBSIDIARIES, ON THE ONE HAND, AND ANY RELEASING PARTIES, ON THE OTHER HAND, PREPETITION CONTRACTS AND AGREEMENTS WITH ANY DEBTOR, OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE BEFORE THE EFFECTIVE DATE.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE RELEASES SET FORTH IN THIS ARTICLE X.B, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT SUCH RELEASE IS: (A) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE THIRD-PARTY RELEASEES; (B) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THIS ARTICLE X.B; (C) IN THE BEST INTERESTS OF THE DEBTORS AND THEIR ESTATES; (D) FAIR, EQUITABLE, AND REASONABLE; (E) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING;

AND (F) A BAR TO ANY PERSON ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED BY THIS ARTICLE X.B.

Item 4. Certification. By signing this Ballot, the Claimant certifies that: (a) on the Voting Record Date, it was the Holder of the Class P4 General Unsecured Claim to which this Ballot pertains or is an authorized signatory for such Holder; (b) it has full power and authority to vote to accept or reject the Plan, make the Opt Out Election, execute, and return this Ballot; and (c) it has received a copy of the Disclosure Statement, the Plan, and other solicitation materials. The undersigned understands that an otherwise properly completed, executed and timely-returned Ballot that does not indicate either acceptance or rejection of the Plan or indicates both acceptance and rejection of the Plan will not be counted. The undersigned also certifies that its vote on the Plan is subject to all the terms and conditions set forth in the Plan and the Disclosure Statement.

Name of Claimant: ______________________________

Signature: ______________________________

Name (if different from that of the Claimant): ______________
____

Title: ______________________________

Address: ______________________________
____
____

Phone Number: ______________________________

Email: ______________________________

Dated: ______________________________

Please make sure you have provided all information requested in this Ballot. Please read and follow the instructions set forth in the attached Voting Instructions carefully. Please complete, sign and date this Ballot and return it by mail, hand delivery, overnight courier or via the online balloting portal so that it is actually received by the Claims and Solicitation Agent by November 13, 2017 at 5:00 p.m. (ET).

VOTING INSTRUCTIONS

1. In order for your vote to count, you must:

(i) In the boxes provided in Item 2 of this Ballot, indicate either acceptance or rejection of the Plan by checking the appropriate box; and

(ii) Review and sign the certifications in Item 4 of this Ballot. Please be sure to sign and date your Ballot. Your signature is required in order for your vote to be counted. If you are completing this Ballot on behalf of an entity, indicate your relationship with such entity and the capacity in which you are signing. If the General Unsecured Claim is held by an entity, your Ballot must be executed in the name of an authorized signatory. In addition, please provide your name and mailing address if different from that set forth on the attached mailing label or if no such mailing label is attached to this Ballot.

2. Review the Opt-Out Election disclosure in Item 3, and determine whether to opt out of the release in Article X.B of the Plan by checking the box in Item 3.

3. Other than fees, commissions or remuneration payable to the Claims and Solicitation Agent, no fees, commissions or other remuneration will be payable to any broker, dealer, or other person for soliciting votes on the Plan.

4. **To have your vote counted and for any elections (including the Opt-Out Election) made in this Ballot to be effective, you must complete, sign and return this Ballot so that it is actually received by the Claims and Solicitation Agent not later than 5:00 p.m. (ET) on November 13, 2017.**

5. Return the duly completed Ballot to the Claims and Solicitation Agent in the pre-addressed, postage pre-paid return envelope provided with this Ballot or return it to:

PSG Ballot Processing
c/o Prime Clerk LLC
830 Third Avenue, 3rd Floor
New York, New York 10022

Alternatively, to submit your Ballot via the Claims and Solicitation Agent's online balloting portal, visit https://cases.primeclerk.com/psg. Click on the "Submit E-Ballot" section of the website and follow the instructions to submit your Ballot.

IMPORTANT NOTE: You will need the your unique, customized E-Ballot ID# provided above to retrieve and submit your customized electronic Ballot.

The Claims and Solicitation Agent's online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile, email or other means of electronic transmission will not be counted.

Each E-Ballot ID# is to be used solely for voting only those Claims described in Item 1 of your electronic Ballot. Please complete and submit an electronic Ballot for each E-Ballot ID# you receive, as applicable. Creditors who cast a Ballot using the Claims and Solicitation Agent's online portal should NOT also submit a paper Ballot.

6. A Ballot that either (i) indicates both acceptance and rejection of the Plan or (ii) fails to indicate either an acceptance or rejection of the Plan will not be counted.

7. You must vote all of your Claims within a single Class under the Plan either to accept or to reject the Plan. A Ballot that partially rejects and partially accepts the Plan will not be counted.

8. If you cast more than one Ballot to vote the same Claim prior to the Voting Deadline, the latest properly duly completed Ballot timely received by the Claims and Solicitation Agent will be deemed to reflect your intent and shall supersede and revoke any earlier received and duly completed Ballot. If you cast multiple Ballots on account of the same Claim, which are received by the Claims and Solicitation Agent on the same day, but which are voted inconsistently, such Ballots shall not be counted.

9. Any Ballot that is illegible or that contains insufficient information to permit the identification of the Claimant will not be counted.

10. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim against any of the Debtors or an assertion or admission of a Claim by any of the Debtors.

11. It is important that you vote. The Plan can be confirmed by the Bankruptcy Court and thereby made binding on you if it is accepted by the Holders of at least two-thirds in amount and more than one-half in number of the Claims in each impaired Class who vote on the Plan (and as to Equity Interests, two-thirds in the number of shares which are voted on the Plan) and if the Plan otherwise satisfies the applicable requirements of section 1129(a) of title 11 of the United States Code (the "Bankruptcy Code"). If the requisite acceptances are not obtained, the Bankruptcy Court nonetheless may confirm the Plan if it finds that the Plan: (a) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes voting to reject the Plan; and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. To confirm a plan over the objection of a dissenting Class, the Bankruptcy Court also must find that at least one Impaired Class of Claims has accepted the plan, with such acceptance being determined without including the acceptance of any "insider" in such Class.

12. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS CONTAINED IN THE MATERIALS MAILED WITH THIS BALLOT OR OTHER SOLICITATION MATERIALS APPROVED BY THE BANKRUPTCY COURT, INCLUDING, THE DISCLOSURE STATEMENT.

13. PLEASE RETURN A DULY COMPLETED BALLOT PROMPTLY.

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THESE VOTING INSTRUCTIONS, OR IF YOU NEED ADDITIONAL COPIES OF THIS BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE CLAIMS AND SOLICITATION AGENT AT (855) 631-5352. THE CLAIMS AND SOLICITATION AGENT WILL NOT, AND IS NOT AUTHORIZED TO, PROVIDE LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE OF ANY KIND.

Exhibit 2-B

Beneficial Holder Ballot for Parent Debtor Class P7 Parent Equity Interests

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
OLD BPSUSH INC., *et al.*,[1]	)	Case No. 16-12373 (KJC)
Debtors.	)	(Jointly Administered)
	)	**Voting Deadline: November 13, 2017 at 5:00 p.m. (ET)** **Confirmation Objection Deadline: November 13, 2017 at 4:00 p.m. (ET)** **Confirmation Hearing Date: November 21, 2017 at 11:00 a.m. (ET)**

BENEFICIAL HOLDER BALLOT FOR CLASS P7 PARENT EQUITY INTERESTS IN

OLD PSG WIND-DOWN LTD. (F/K/A PERFORMANCE SPORTS GROUP LTD.)

FOR ACCEPTING OR REJECTING JOINT CHAPTER 11 PLAN OF LIQUIDATION OF OLD BPSUSH INC. AND ITS AFFILIATED DEBTORS

THE VOTING DEADLINE BY WHICH THE MASTER BALLOT CONTAINING YOUR VOTE MUST BE ACTUALLY RECEIVED BY THE CLAIMS AND SOLICITATION AGENT IS NOVEMBER 13, 2017, AT 5:00 P.M. (ET) (THE "VOTING DEADLINE"). YOUR NOMINEE MAY SET AN EARLIER DEADLINE BY WHICH SUCH NOMINEE MUST RECEIVE YOUR BENEFICIAL HOLDER BALLOT IN ORDER TO PROCESS AND SUBMIT YOUR VOTE ON A MASTER BALLOT, WHICH MUST BE RECEIVED BY THE CLAIMS AND SOLICITATION AGENT OR OTHERWISE DELIVERED IN ACCORDANCE WITH INSTRUCTIONS FROM YOUR NOMINEE ON OR PRIOR TO THE VOTING DEADLINE. ACCORDINGLY, PLEASE FOLLOW THE INSTRUCTIONS PROVIDED BY YOUR NOMINEE.

IF THE MASTER BALLOT CONTAINING YOUR VOTE (AS APPLICABLE) IS NOT ACTUALLY RECEIVED BY THE CLAIMS AND SOLICITATION AGENT ON OR PRIOR TO THE VOTING DEADLINE, THE VOTE REPRESENTED BY YOUR BALLOT WILL NOT BE

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively) (1514). The Debtors' mailing address is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

COUNTED. YOU MUST FOLLOW THE DIRECTIONS OF YOUR NOMINEE TO CAST YOUR VOTE AND ALLOW SUFFICIENT TIME FOR YOUR NOMINEE TO RECEIVE YOUR VOTE AND TRANSMIT SUCH VOTE ON A MASTER BALLOT, WHICH MASTER BALLOT MUST BE RETURNED TO THE CLAIMS AND SOLICITATION AGENT BY THE VOTING DEADLINE IN ORDER FOR YOUR VOTE TO BE COUNTED.

This ballot (the "Ballot") is being provided to you by the above-captioned debtors and debtors in possession (the "Debtors") to solicit your vote to accept or reject the *Joint Chapter 11 Plan of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ____] (as it may be amended, supplemented or modified from time to time pursuant to the terms thereof, the "Plan")[2] submitted by the Debtors and described in the related *Disclosure Statement with Respect to Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ___] (as it may be amended, supplemented or modified from time to time, the "Disclosure Statement"), that was approved by an order [Docket No. _______] of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Disclosure Statement describes the Plan and provides information to assist you in deciding how to cast your Ballot.

This Ballot is being sent to you because you are the beneficial Holders (each a "Beneficial Holder") of Parent Equity Interests as of October [5], 2017 (the "Voting Record Date"). This Ballot is to be used by Beneficial Holders of Parent Equity Interests to vote to accept or reject the Plan. You may cast your to accept or reject the Plan through this Beneficial Holder Ballot and return the completed Beneficial Holder Ballot to your broker, commercial bank, transfer agent, trust company, dealer or other intermediary or nominee, or their mailing agent (each of the foregoing, a "Nominee") in accordance with the instructions provided to you by your Nominee. Confirmation of the Plan requires the affirmative vote to accept the Plan from the Holders of at least two-thirds in amount and more than one-half in number of Allowed Claims in each Class of Claims that actually vote on the Plan and the affirmative vote to accept the Plan from the Holders of at least two-thirds in amount of Allowed Interests in each Class of Interests that actually vote on the Plan. If the requisite acceptances, however, are not obtained, the Bankruptcy Court may nonetheless confirm the Plan, if it finds that the Plan provides fair and equitable treatment to, and does not discriminate unfairly against, the Class or Classes rejecting it, and otherwise satisfies the requirements of Bankruptcy Code section 1129(b). Either way, if the Bankruptcy Court confirms the Plan, it will be binding on you whether or not you vote. To have your vote count, you must complete and return a fully-executed, original form of this Beneficial Holder Ballot to your Nominee with sufficient time to allow your Nominee to receive your vote and transmit such vote on a Master Ballot to the Claims and Solicitation Agent by the Voting Deadline.

Bankruptcy Court approval of the Disclosure Statement does not indicate Bankruptcy Court approval of the Plan. If you do not have a copy of the Disclosure Statement or Plan, you may obtain a copy free of charge on the dedicated webpage of Prime Clerk LLC (the "Claims and Solicitation Agent") at https://cases.primeclerk.com/PSG/. Copies of the Disclosure Statement and Plan are also available: (a) for a fee, on the Bankruptcy Court's website, www.deb.uscourts.gov (a PACER account is required); (b) upon written request to the Claims and Solicitation Agent at PSG Ballot Processing, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022, by telephone at (855) 631-5352, or (c) by contacting the Claims and Solicitation Agent electronically by submitting an inquiry via psgballots@primeclerk.com. Electronic copies of the Plan and Disclosure Statement may also be obtained by visiting the Monitor's website at www.ey.com/ca/psg and will be available following the Confirmation Hearing Date on SEDAR at www.sedar.com and on the SEC's website at www.sec.gov.

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[2] All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement or the Plan, as applicable.

IMPORTANT

You should review the Disclosure Statement and the Plan before you vote. You should seek your own legal, business, financial or tax advice concerning the Plan, your individual tax consequences and your classification and treatment under the Plan. Your Claim has been placed in Class P7 – Parent Equity Interests under the Plan.

If the Master Ballot containing your vote is not actually received by the Claims and Solicitation Agent on or prior to the Voting Deadline, and such deadline is not extended by the Debtors, your vote will not count as either an acceptance or rejection of the Plan. If the Plan is confirmed by the Bankruptcy Court it will be binding on you whether or not you vote.

***** PLEASE ALLOW SUFFICIENT TIME FOR YOUR NOMINEE TO RECEIVE THIS BENEFICIAL HOLDER BALLOT, PROCESS YOUR VOTE ON A MASTER BALLOT AND RETURN THE MASTER BALLOT TO THE CLAIMS AND SOLICITATION AGENT BEFORE THE VOTING DEADLINE.*****

ACCEPTANCE OR REJECTION OF THE PLAN

Item 1. Vote Amount. For purposes of voting to accept or reject the Plan, as of October 3, 2017 (the "Voting Record Date"), the undersigned was the Beneficial Holder (or authorized signatory for such Beneficial Holder) of Parent Equity Interests in the Debtors in the following aggregate number (if your Parent Equity Interests are held by a Nominee on your behalf and you do not know the number of Parent Equity Interests held, please contact your Nominee immediately).

____

Item 2. Vote on Plan. CHECK ONE BOX ONLY:

☐ **ACCEPTS (votes FOR) the Plan**.

☐ **REJECTS (votes AGAINST) the Plan**.

IMPORTANT - Parent Equity Interest Election.

In addition to this Beneficial Holder Ballot, you should receive a separate document titled

"***Option 1 – Liquidation Trust Election Form.***"

If you do not receive this Liquidation Trust Election Form, you should contact your Nominee or Prime Clerk.

Holders who are **UNITED STATES PERSONS** should carefully consider the sections of the Disclosure Statement entitled Article XIX of the Disclosure Statement entitled Section XVIII. Risk Factors T., W. and X., and Section XIX. Certain U.S. Federal Income Tax Consequences of the Plan; such United States Persons are urged to consider **ELECTING OPTION 1** (election to participate in the U.S. Liquidation Trust), rather than Option 2 (election to retain stock in Canadian Parent). Option 1 is intended to mitigate potential adverse U.S. income tax consequences that could arise for United States Persons who continue to own stock in Canadian Parent. Each Holder who is a United States Person should consult its own tax advisors with regard to its own tax situation.

*****TO ELECT OPTION 1, HOLDERS OF CLASS P7 PARENT EQUITY INTERESTS MUST COMPLETE THE ENCLOSED "OPTION 1—LIQUIDATION TRUST ELECTION FORM" AND SUBMIT SUCH FORM IN ACCORDANCE WITH THE DIRECTIONS SET FORTH THEREIN*****

Holders who are **CANADIAN RESIDENTS** should carefully consider the sections in the Disclosure Statement entitled "BB. Canadian Shareholders Who Elect Option 1 and Receive Beneficial Trust Interests" and "CC. Canadian Tax Consequences of Liquidation Trust is Uncertain"; such Canadian residents are urged to **ELECT OPTION 2** (election to retain stock in Canadian Parent), which requires no action to be taken, rather than Option 1 (election to participate in the U.S. Liquidation Trust). Each Holder who is a Canadian resident should consult its own tax advisors with regard to its own tax situation.

*****TO ELECT OPTION 2, HOLDERS OF CLASS P7 PARENT EQUITY INTERESTS DO NOT NEED TO TAKE ANY FURTHER ACTION AND DO NOT NEED TO RETURN THE ENCLOSED "OPTION 1—LIQUIDATION TRUST ELECTION FORM"*****

Item 4. Certification. By signing this Beneficial Holder Ballot, the Beneficial Holder certifies that: (a) except as set forth in the table below, this Beneficial Holder Ballot is the only Beneficial Holder Ballot submitted for Parent Equity Interests owned by such Holder and it has not submitted any other Beneficial Holder Ballots for Parent Equity Interests held in other accounts or other record names or (b) it has provided the information specified in the following table for all other Parent Equity Interests for which it has submitted additional Beneficial Holder Ballots, each of which indicates the same vote to accept or reject the Plan (please use additional sheets of paper if necessary).

ONLY COMPLETE THIS SECTION IF YOU HAVE VOTED BENEFICIAL HOLDER BALLOTS OTHER THAN THIS BENEFICIAL HOLDER BALLOT FOR PARENT EQUITY INTERESTS:

Name of Holder[3]	Account Number	Number of Other Voted Parent Equity Interests	CUSIP of Other Parent Equity Interests

Item 5. Certification. By returning this Ballot, the undersigned Holder of Parent Equity Interests hereby certifies that as of October 3, 2017, the Voting Record Date, it was the Beneficial Holder of Parent Equity Interests set forth in Item 1 above and has full power and authority to vote to accept or to reject the Plan. To the extent the undersigned is voting on behalf of the actual Holder of Parent Equity Interests, the undersigned certifies that it has the requisite authority to do so and will submit evidence of the same upon

[3] Insert your name if the interests are held by you in record name or, if held in street name, insert the name of your broker or bank.

request. The undersigned also acknowledges that the tabulation of votes is subject to the terms and conditions of the Disclosure Statement and the Disclosure Statement Order.

The undersigned further certifies that (a) it has received a copy of the Disclosure Statement (including the exhibits thereto), and (b) understands that the solicitation of votes for the Plan is subject to all the terms and conditions set forth in the Disclosure Statement and the Disclosure Statement Order.

As evidence of your vote on the Plan and certifications as set forth in Items 4 and 5 above through CDS or DTC (as applicable), you must provide the requested information below or such votes will not be honored (this information may be obtained from your Nominee or your Nominee may complete this on your behalf if so instructed by you):

CDS BLOCKING NUMBER: ____

OR

DTC ATOP CONFIRMATION NUMBER: ____________________________________

Name:______________________________

Phone Number: ________________________________

Email: ______________________________________

Dated: ______________________________________

Please make sure you have provided all information requested in this Beneficial Holder Ballot. Please read and follow the instructions set forth in the attached Voting Instructions carefully. Please complete, sign and date this Beneficial Holder Ballot and return it to your Nominee in accordance with the instructions provided by your Nominee.

PLEASE ALLOW SUFFICIENT TIME FOR YOUR NOMINEE TO RECEIVE THIS BENEFICIAL HOLDER BALLOT, PROCESS YOUR VOTE ON A MASTER BALLOT AND RETURN THE MASTER BALLOT TO THE CLAIMS AND SOLICITATION AGENT BEFORE THE VOTING DEADLINE.

VOTING INSTRUCTIONS

1. In order for your vote to count, you must:

(i) In the boxes provided in Item 2 of this Ballot, indicate either acceptance or rejection of the Plan by checking the appropriate box;

(ii) Review and sign the certifications in Item 5 of this Ballot. Please be sure to sign and date your Ballot. Your signature is required in order for your vote to be counted. If you are completing this Ballot on behalf of an entity, indicate your relationship with such entity and the capacity in which you are signing. If the Parent Equity Interest is held by an entity, your Ballot must be executed in the name of an authorized signatory. In addition, please provide your name and mailing address if different from that set forth on the attached mailing label or if no such mailing label is attached to this Ballot.

2. Other than fees, commissions or remuneration payable to the Claims and Solicitation Agent, no fees, commissions or other remuneration will be payable to any broker, dealer, or other person for soliciting votes on the Plan.

3. To have your vote counted and for any elections made in this Ballot to be effective, you must complete, sign and return this Ballot to your Nominee, and allow sufficient time for your Nominee to receive your vote and transmit such vote on a Master Ballot, which Master Ballot must be actually received by the Claims and Solicitation Agent not later than 5:00 p.m. (ET) on November 13, 2017. Your Nominee may set an earlier deadline by which such Nominee must receive your Ballot in order to process and submit your vote on a Master Ballot. Accordingly, please follow the instructions provided by your Nominee.

4. Return the duly completed Ballot to your Nominee in accordance with the instructions of your Nominee.

5. A Ballot that either (i) indicates both acceptance and rejection of the Plan or (ii) fails to indicate either an acceptance or rejection of the Plan will not be counted.

6. You must vote all your Parent Equity Interests either to accept or reject the Plan. A Ballot that partially rejects and partially accepts the Plan will not be counted.

7. If you cast more than one Ballot voting your Parent Equity Interests on or prior to the Voting Deadline, the latest properly executed Ballot timely received by the Claims and Solicitation Agent will be deemed to reflect your intent and shall supersede and revoke any earlier received Ballot. If you cast multiple Ballots on account of your Parent Equity Interests, which are received by the Claims and Solicitation Agent on the same day, but which are voted inconsistently, such Ballots shall not be counted.

8. Any Ballot that is illegible or that contains insufficient information to permit the identification of the voting Holder of Parent Equity Interests will not be counted.

9. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or interest against any of the Debtors or an assertion or admission of a Claim or Equity Interest by any of the Debtors.

10. It is important that you vote. The Plan can be confirmed by the Bankruptcy Court and thereby made binding on you if it is accepted by the Holders of at least two-thirds in amount and more than one-half in number of the Claims in each impaired Class who vote on the Plan (and as to Equity Interests, two-thirds in number of Parent Equity Interests who vote on the Plan) and if the Plan otherwise satisfies the applicable requirements of section 1129(a) of title 11 of the United States Code (the "Bankruptcy Code"). If the requisite acceptances are not obtained, the Bankruptcy Court nonetheless may confirm the Plan if it finds that the Plan: (a) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes voting to reject the Plan; and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. To confirm a plan over the objection of a dissenting Class, the Bankruptcy Court also must find that at least one Impaired Class has accepted the plan, with such acceptance being determined without including the acceptance of any "insider" in such Class.

11. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS CONTAINED IN THE MATERIALS MAILED WITH THIS BALLOT OR OTHER SOLICITATION MATERIALS APPROVED BY THE BANKRUPTCY COURT, INCLUDING, THE DISCLOSURE STATEMENT.

12. PLEASE RETURN A DULY COMPLETED BALLOT PROMPTLY TO YOUR NOMINEE IN ACCORDANCE WITH THE INSTRUCTIONS PROVIDED BY YOUR NOMINEE.

13. Nominees may elect to pre-validate the Beneficial Holder Ballot (a "Pre-Validated Ballot") by (i) signing the applicable Beneficial Holder Ballot and including its Participant Number, (ii) indicating on the Beneficial Holder Ballot the account number of such holder, and the number of Parent Equity Interests (as applicable) held by the Nominee for such beneficial Holder, and (iii) forwarding the Beneficial Holder Ballot (together with the full Solicitation Package) to the beneficial Holder for voting. The beneficial Holder must then complete the information requested in the Beneficial Holder Ballot (including indicating a vote to accept or reject the Plan), review the certifications contained therein, and return the Beneficial Holder Ballot directly to the Claims and Solicitation Agent in the pre-addressed, postage paid envelope included with the Solicitation Package so that it is actually received by the Claims and Solicitation Agent on or prior to the Voting Deadline. A list of beneficial Holders to whom the Nominee sent Pre-Validated Ballots should be maintained by the Nominee for inspection for at least one year following the Voting Deadline.

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THESE VOTING INSTRUCTIONS, OR IF YOU NEED ADDITIONAL COPIES OF THIS BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE CLAIMS AND SOLICITATION AGENT AT (855) 631-5352. THE CLAIMS AND SOLICITATION AGENT WILL NOT, AND IS NOT AUTHORIZED TO, PROVIDE LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE OF ANY KIND.

Exhibit 2-C

Directly Registered Holder Ballot for Parent Debtor Class P7 Parent Equity Interests

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
OLD BPSUSH INC., *et al.*,[1]	)	Case No. 16-12373 (KJC)
Debtors.	)	(Jointly Administered)
	)	**Voting Deadline: November 13, 2017 at 5:00 p.m. (ET)** **Confirmation Objection Deadline: November 13, 2017 at 4:00 p.m. (ET)** **Confirmation Hearing Date: November 21, 2017 at 11:00 a.m. (ET)**

DIRECTLY REGISTERED HOLDER BALLOT FOR CLASS P7 PARENT EQUITY INTERESTS IN

OLD PSG WIND-DOWN LTD. (F/K/A PERFORMANCE SPORTS GROUP LTD.)

FOR ACCEPTING OR REJECTING JOINT CHAPTER 11 PLAN OF LIQUIDATION OF OLD BPSUSH INC. AND ITS AFFILIATED DEBTORS

THE VOTING DEADLINE BY WHICH YOUR DULY COMPLETED BALLOT MUST BE ACTUALLY RECEIVED BY THE CLAIMS AND SOLICITATION AGENT IS NOVEMBER 13, 2017, AT 5:00 P.M. (ET) (THE "VOTING DEADLINE").

IF YOUR DULY COMPLETED BALLOT IS NOT ACTUALLY RECEIVED ON OR PRIOR TO THE VOTING DEADLINE, THE VOTE REPRESENTED BY YOUR BALLOT WILL NOT BE COUNTED.

This ballot (the "Ballot") is being provided to you by the above-captioned debtors and debtors in possession (the "Debtors") to solicit your vote to accept or reject the *Joint Chapter 11 Plan of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ____] (as it may be amended, supplemented or

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively) (1514). The Debtors' mailing address is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

modified from time to time pursuant to the terms thereof, the "Plan")[2] submitted by the Debtors and described in the related *Disclosure Statement with Respect to Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ___] (as it may be amended, supplemented or modified from time to time, the "Disclosure Statement"), that was approved by an order [Docket No. ______] of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Disclosure Statement describes the Plan and provides information to assist you in deciding how to cast your Ballot.

This Ballot is being sent to the directly registered Holders (the "Directly Registered Holders") of Parent Equity Interests as classified under the Plan (which includes holders of restricted share units and deferred share units identified in the Plan Supplement). This Ballot is to be used by the Directly Registered Holders of Parent Equity Interests to vote to accept or reject the Plan. Confirmation of the Plan requires the affirmative vote to accept the Plan from the Holders of at least two-thirds in number and more than one-half in number of Allowed Claims in each Class of Claims that actually vote on the Plan and the affirmative vote to accept the Plan from the Holders of at least two-thirds in amount of Allowed Interests in each Class of Interests that actually vote on the Plan. If the requisite acceptances, however, are not obtained, the Bankruptcy Court may nonetheless confirm the Plan, if it finds that the Plan provides fair and equitable treatment to, and does not discriminate unfairly against, the Class or Classes rejecting it, and otherwise satisfies the requirements of Bankruptcy Code section 1129(b). Either way, if the Bankruptcy Court confirms the Plan, it will be binding on you whether or not you vote. To have your vote count, you must complete and return a fully-executed, original form of this Ballot by **5:00 p.m. (ET)** on **November 13, 2017** (the "Voting Deadline").

Bankruptcy Court approval of the Disclosure Statement does not indicate Bankruptcy Court approval of the Plan. If you do not have a copy of the Disclosure Statement or Plan, you may obtain a copy free of charge on the dedicated webpage of Prime Clerk LLC (the "Claims and Solicitation Agent") at https://cases.primeclerk.com/PSG/. Copies of the Disclosure Statement and Plan are also available: (a) for a fee, on the Bankruptcy Court's website, www.deb.uscourts.gov (a PACER account is required); (b) upon written request to the Claims and Solicitation Agent at PSG Ballot Processing, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022, by telephone at (855) 631-5352, or (c) by contacting the Claims and Solicitation Agent electronically by submitting an inquiry via psgballots@primeclerk.com. Electronic copies of the Plan and Disclosure Statement may also be obtained by visiting the Monitor's website at www.ey.com/ca/psg and will be available following the Confirmation Hearing on SEDAR at www.sedar.com and on the SEC's website at www.sec.gov.

[2] All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement or the Plan, as applicable.

IMPORTANT

You should review the Disclosure Statement and the Plan before you vote. You should seek your own legal, business, financial or tax advice concerning the Plan, your individual tax consequences and your classification and treatment under the Plan. Your Claim has been placed in Class P7 – Parent Equity Interests under the Plan.

If your duly completed Ballot is not <u>actually</u> <u>received</u> by the Claims and Solicitation Agent on or prior to the Voting Deadline, and such deadline is not extended by the Debtors, your vote will not count as either an acceptance or rejection of the Plan. If the Plan is confirmed by the Bankruptcy Court it will be binding on you whether or not you vote.

You may return your Ballot in the return envelope provided in your package or in the alternative, return your Ballot, via first class mail, hand delivery, or overnight courier, to:

PSG Ballot Processing
c/o Prime Clerk LLC
830 Third Avenue, 3rd Floor
New York, New York 10022

Alternatively, to submit your Ballot via the Notice and Claims Agent's online balloting portal, visit https://cases.primeclerk.com/psg. Click on the "Submit E-Ballot" section of the website and follow the instructions to submit your Ballot.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized electronic Ballot:

Unique E-Ballot ID#:____

ACCEPTANCE OR REJECTION OF THE PLAN

Item 1. Vote Amount. The undersigned hereby certifies that as of October 3, 2017 (the "Voting Record Date"), the undersigned was the Directly Registered Holder (or authorized signatory for such Directly Registered Holder) of Parent Equity Interests in the Parent Debtors, in the following aggregate number (including any restricted share units and deferred share units identified in the Plan Supplement).

____

Item 2. Vote on Plan. CHECK ONE BOX ONLY:

☐ **ACCEPTS (votes FOR) the Plan**.

☐ **REJECTS (votes AGAINST) the Plan**.

Item 3. Parent Equity Interest Election.

Beneficial Holders of Allowed Parent Equity Interests may elect either:

OPTION 1: To have their Parent Equity Interests mandatorily purchased and cancelled in exchange for their Pro Rata share of Beneficial Trust Interests (and a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with the Plan); or

OPTION 2: To retain their Allowed Parent Equity Interests through the Final Distribution Date.

IMPORTANT

Holders who are **UNITED STATES PERSONS** should carefully consider the sections of the Disclosure Statement entitled Section XVIII. Risk Factors T., W. and X., and Section XIX. Certain U.S. Federal Income Tax Consequences of the Plan; such United States Persons are urged to consider **ELECTING OPTION 1** (election to participate in the U.S. Liquidation Trust), rather than Option 2 (election to retain stock in Canadian Parent). Option 1 is intended to mitigate potential adverse U.S. income tax consequences that could arise for United States Persons who continue to own stock in Canadian Parent. Each Holder who is a United States Person should consult its own tax advisors with regard to its own tax situation.

Holders who are **CANADIAN RESIDENTS** should carefully consider the sections in the Disclosure Statement entitled "BB. Canadian Shareholders Who Elect Option 1 and Receive Beneficial Trust Interests" and "CC. Canadian Tax Consequences of Liquidation Trust is Uncertain"; such Canadian residents are urged to **ELECT OPTION 2** (election to retain stock in Canadian Parent) rather than Option 1 (election to participate in the U.S. Liquidation Trust). Each Holder who is a Canadian resident should consult its own tax advisors with regard to its own tax situation.

Parent Equity Interest Election. **CHECK ONE BOX ONLY:**

☐ **OPTION 1** (election to participate in the U.S. Liquidation Trust).

*****UNITED STATES PERSONS URGED TO CONSIDER ELECTING OPTION 1*****

☐ **OPTION 2** (election to retain stock in Canadian Parent).

*****CANADIAN RESIDENTS URGED TO ELECT OPTION 2*****

Item 4. Certification. By returning this Ballot, the undersigned Holder of Parent Equity Interests hereby certifies that as of October 3, 2017, the Voting Record Date, it was the Directly Registered Holder of Parent Equity Interests set forth in Item 1 above, and has full power and authority to vote to accept or to reject the Plan and make the election set forth in Item 3. To the extent the undersigned is voting and electing on behalf of the actual Holder of a Parent Equity Interest, the undersigned certifies that it has the requisite authority to do so and will submit evidence of the same upon request. The undersigned also acknowledges that the tabulation of votes is subject to the terms and conditions of the Disclosure Statement and the Disclosure Statement Order.

The undersigned further certifies that (a) it has received a copy of the Disclosure Statement (including the exhibits thereto), and (b) understands that the solicitation of votes for the Plan is subject to all the terms and conditions set forth in the Disclosure Statement and the Disclosure Statement Order.

Name of Holder: ______________________________

Signature: ______________________________

Name or Signatory : ______________________________

Title: ______________________________

Address: ______________________________

____

____

Phone Number: ______________________________

Email: ______________________________

Dated: ______________________________

Please make sure you have provided all information requested in this Ballot. Please read and follow the instructions set forth in the attached Voting Instructions carefully. Please complete, sign and date this Ballot and return it by mail, hand delivery, overnight courier or via the online balloting portal so that it is actually received by the Claims and Solicitation Agent by November 13, 2017 at 5:00 p.m. (ET).

VOTING INSTRUCTIONS

1. In order for your vote to count, you must:

(i) In the boxes provided in Item 2 of this Ballot, indicate either acceptance or rejection of the Plan by checking the appropriate box;

(ii) In the boxes provided in Item 3 of this Ballot, elect either Option 1 (urged for United States Persons) or Option 2 (urged for Canadian Residents); and

(iii) Review and sign the certifications in Item 4 of this Ballot. Please be sure to sign and date your Ballot. Your signature is required in order for your vote to be counted. If you are completing this Ballot on behalf of an entity, indicate your relationship with such entity and the capacity in which you are signing. If the Parent Equity Interest(s) is held by an entity, your Ballot must be executed in the name of an authorized signatory. In addition, please provide your name and mailing address if different from that set forth on the attached mailing label or if no such mailing label is attached to this Ballot.

2. Other than fees, commissions or remuneration payable to the Claims and Solicitation Agent, no fees, commissions or other remuneration will be payable to any broker, dealer, or other person for soliciting votes on the Plan.

3. **To have your vote counted and for any elections made in this Ballot to be effective, you must complete, sign and return this Ballot so that it is actually received by the Claims and Solicitation Agent by 5:00 p.m. (ET) on November 13, 2017.**

4. Return your duly completed Ballot to the Claims and Solicitation Agent in the pre-addressed, postage pre-paid return envelope enclosed with this Ballot or return it to:

PSG Ballot Processing
c/o Prime Clerk LLC
830 Third Avenue, 3rd Floor
New York, New York 10022

Alternatively, to submit your Ballot via the Claims and Solicitation Agent's online balloting portal, visit https://cases.primeclerk.com/psg. Click on the "Submit E-Ballot" section of the website and follow the instructions to submit your Ballot.

IMPORTANT NOTE: You will need the your unique, customized E-Ballot ID# provided above to retrieve and submit your customized electronic Ballot.

The Claims and Solicitation Agent's online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile, email or other means of electronic transmission will not be counted.

Each E-Ballot ID# is to be used solely for voting only those Interests described in Item 1 of your electronic Ballot. Please complete and submit an electronic Ballot for each E-Ballot ID# you receive, as applicable. Holders who cast a Ballot using the Claims and Solicitation Agent's online portal should NOT also submit a paper Ballot.

5. A Ballot that either (i) indicates both acceptance and rejection of the Plan or (ii) fails to indicate either an acceptance or rejection of the Plan will not be counted.

6. You must vote all your Parent Equity Interests either to accept or reject the Plan. A Ballot that partially rejects and partially accepts the Plan will not be counted. If the Plan is confirmed by the Bankruptcy Court, it will be binding on you whether or not you vote.

7. If you cast more than one Ballot voting your Parent Equity Interests prior to the Voting Deadline, the last properly executed Ballot timely received by the Claims and Solicitation Agent will be deemed to reflect your intent and shall supersede and revoke any earlier received Ballot. If you cast multiple Ballots on account of your Parent Equity Interests, which are received by the Claims and Solicitation Agent on the same day, but which are voted inconsistently, such Ballots shall not be counted.

8. Any Ballot that is illegible or that contains insufficient information to permit the identification of the voting Holder of Parent Equity Interests will not be counted.

9. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or interest against any of the Debtors or an assertion or admission of a Claim or Equity Interest by any of the Debtors.

10. It is important that you vote. The Plan can be confirmed by the Bankruptcy Court and thereby made binding on you if it is accepted by the Holders of at least two-thirds in amount and more than one-half in number of the Claims in each impaired Class who vote on the Plan (and as to Equity Interests, two-thirds in the number of shares which are voted on the Plan) and if the Plan otherwise satisfies the applicable requirements of section 1129(a) of title 11 of the United States Code (the "Bankruptcy Code"). If the requisite acceptances are not obtained, the Bankruptcy Court nonetheless may confirm the Plan if it finds that the Plan: (a) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes voting to reject the Plan; and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. To confirm a plan over the objection of a dissenting Class, the Bankruptcy Court also must find that at least one Impaired Class has accepted the plan, with such acceptance being determined without including the acceptance of any "insider" in such Class.

11. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS CONTAINED IN THE MATERIALS MAILED WITH THIS BALLOT OR OTHER SOLICITATION MATERIALS APPROVED BY THE BANKRUPTCY COURT, INCLUDING, THE DISCLOSURE STATEMENT.

12. PLEASE RETURN A DULY COMPLETED BALLOT PROMPTLY.

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THESE VOTING INSTRUCTIONS, OR IF YOU NEED ADDITIONAL COPIES OF THIS BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE CLAIMS AND SOLICITATION AGENT AT (855) 631-5352. THE CLAIMS AND SOLICITATION AGENT WILL NOT, AND IS NOT AUTHORIZED TO, PROVIDE LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE OF ANY KIND.

Exhibit 2-D

Master Ballot for Parent Debtor Class P7 Parent Equity Interests

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
OLD BPSUSH INC., *et al.*,[1]	)	Case No. 16-12373 (KJC)
Debtors.	)	(Jointly Administered)
	)	**Voting Deadline: November 13, 2017 at 5:00 p.m. (ET)** **Confirmation Objection Deadline: November 13, 2017 at 4:00 p.m. (ET)** **Confirmation Hearing Date: November 21, 2017 at 11:00 a.m. (ET)**

MASTER BALLOT FOR CLASS P7 PARENT EQUITY INTERESTS IN

OLD PSG WIND-DOWN LTD. (F/K/A PERFORMANCE SPORTS GROUP LTD.)

FOR ACCEPTING OR REJECTING JOINT CHAPTER 11 PLAN OF LIQUIDATION OF OLD BPSUSH INC. AND ITS AFFILIATED DEBTORS

THE VOTING DEADLINE BY WHICH YOUR DULY COMPLETED MASTER BALLOT MUST BE ACTUALLY RECEIVED BY THE CLAIMS AND SOLICITATION AGENT IS NOVEMBER 13, 2017, AT 5:00 P.M. (ET) (THE "VOTING DEADLINE").

IF YOUR DULY COMPLETED MASTER BALLOT IS NOT ACTUALLY RECEIVED ON OR PRIOR TO THE VOTING DEADLINE, THE VOTES REPRESENTED BY YOUR MASTER BALLOT WILL NOT BE COUNTED.

This master ballot (the "Master Ballot") is being provided to you by the above-captioned debtors and debtors in possession (the "Debtors") to solicit votes to accept or reject the *Joint Chapter 11 Plan of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ____] (as it may be amended, supplemented or modified from time to time pursuant to the terms thereof, the "Plan")[2] submitted by the Debtors and

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively) (1514). The Debtors' mailing address is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

[2] All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the

described in the related *Disclosure Statement with Respect to Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ___] (as it may be amended, supplemented or modified from time to time, the "Disclosure Statement"), that was approved by an order [Docket No. ______] of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Disclosure Statement describes the Plan and provides information to assist you in deciding how to cast your Ballot.

This Master Ballot is being sent to you because you are a broker, commercial bank, transfer agent, trust company, dealer or other intermediary or nominee, identified by the Claims and Solicitation Agent as an entity through which the Holder indirectly hold Parent Equity Interests, or their mailing agent (each of the foregoing, a "Nominee") on behalf of the beneficial Holders (the "Beneficial Holders") of Parent Equity Interests as classified under the Plan. This Master Ballot is to be used by each Nominee to summarize the individual votes of its respective Beneficial Holders of Parent Equity Interests from their Beneficial Holder Ballots to vote to accept or reject the Plan. Confirmation of the Plan requires the affirmative vote to accept the Plan from the Holders of at least two-thirds in amount and more than one-half in number of Allowed Claims in each Class of Claims that actually vote on the Plan and the affirmative vote to accept the Plan from the Holders of at least two-thirds in amount of Allowed Interests in each Class of Interests that actually vote on the Plan. If the requisite acceptances, however, are not obtained, the Bankruptcy Court may nonetheless confirm the Plan, if it finds that the Plan provides fair and equitable treatment to, and does not discriminate unfairly against, the Class or Classes rejecting it, and otherwise satisfies the requirements of Bankruptcy Code section 1129(b). To have the votes of the Beneficial Holders count, you must complete and return a fully-executed Master Ballot to the Claims and Solicitation Agent by **5:00 p.m. (ET)** on **November 13, 2017** (the "Voting Deadline").

Bankruptcy Court approval of the Disclosure Statement does not indicate Bankruptcy Court approval of the Plan. If you do not have a copy of Disclosure Statement or Plan, you may obtain a copy free of charge on the dedicated webpage of Prime Clerk LLC (the "Claims and Solicitation Agent") at https://cases.primeclerk.com/PSG/. Copies of the Disclosure Statement and Plan are also available: (a) for a fee, on the Bankruptcy Court's website, www.deb.uscourts.gov (a PACER account is required); (b) upon written request to the Claims and Solicitation Agent at PSG Ballot Processing, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022, by telephone at (855) 631-5352, or (c) by contacting the Claims and Solicitation Agent electronically by submitting an inquiry via psgballots@primeclerk.com. Electronic copies of the Plan and Disclosure Statement may also be obtained by visiting the Monitor's website at www.ey.com/ca/psg and will be available following the Confirmation Hearing on SEDAR at www.sedar.com and on the SEC's website at www.sec.gov.

IMPORTANT

PLEASE READ CAREFULLY AND FOLLOW THE INSTRUCTIONS ON RETURNING THE MASTER BALLOT. THE VOTING DEADLINE BY WHICH THE DULY COMPLETED MASTER BALLOT MUST BE RECEIVED BY PRIME CLERK LLC (THE "CLAIMS AND SOLICITATION AGENT") IS 5:00 P.M. (ET) ON NOVEMBER 13, 2017, OR THE BENEFICIAL HOLDERS' VOTES REPRESENTED BY YOUR MASTER BALLOT WILL NOT BE COUNTED.

IF YOU HAVE ANY QUESTIONS REGARDING THIS MASTER BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE CLAIMS AND SOLICITATION AGENT AT PSGBALLOTS@PRIMECLERK.COM OR BY TELEPHONE AT (855) 631-5352. THE CLAIMS

Disclosure Statement or the Plan, as applicable.

AND SOLICITATION AGENT WILL NOT, AND IS NOT AUTHORIZED TO, PROVIDE LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE OF ANY KIND.

Item 1. Certification of Authority to Vote. The undersigned certifies that as of October 3, 2017 (the "Voting Record Date"), the undersigned (please check appropriate box):

□ Is a Nominee for the Beneficial Holders of the aggregate number of the Parent Equity Interests listed in Items 2 and 3 below, and is Holder of record of the corresponding Parent Equity Interest; or

□ Is acting under a power of attorney and/or agency (a copy of which will be provided upon request) granted by a Nominee that is the registered Holder of the aggregate number of Parent Equity Interests listed in Items 2 and 3 below; or

□ Has been granted a proxy from a Nominee that is the Holder of record of the aggregate number of Parent Equity Interests listed in Item 2 below, and accordingly, has full power and authority to vote to accept or reject the Plan on behalf of the Beneficial Holders of Parent Equity Interests described in Item 2 below.

Item 2. Transmittal of Votes from Individual Beneficial Ballots. The undersigned transmits the following votes of Beneficial Holders in respect of their Parent Equity Interests, and certifies that the following Beneficial Holders of Parent Equity Interests, as identified by their respective customer account numbers set forth below, are Beneficial Holders as of October 3, 2017, the Voting Record Date, and have delivered to the undersigned, as Nominee, Beneficial Holder Ballots casting such votes. Indicate in the appropriate column the aggregate number of Parent Equity Interests voted for each account, or attach such information to the Master Ballot in the form of the following table. Each Beneficial Holder must vote all of his, her or its Parent Equity Interests to accept or reject the Plan and may not split such vote.

Your Customer Account Number for Each Beneficial Holder of Parent Equity Interests and/or Name of Each Beneficial Holder Voting on the Plan	Number of Parent Equity Interests Voted to **ACCEPT THE PLAN**		Number of Parent Equity Interests Voted to **REJECT THE PLAN**
1.		OR	
2.		OR	
3.		OR	
TOTALS			

If space provided is insufficient, attach additional sheet in the same format.

Item 3. Additional Ballots Submitted By Beneficial Holders. The undersigned certifies that the following information is a true and accurate schedule on which the undersigned has transcribed the information, if any, provided in Item 3 of each Beneficial Holder Ballot received from a Beneficial Holder of Parent Equity Interests.

Customer Name and/or Account Number for Each Beneficial Holder of Parent Equity Interests that completed Item 3	Account Number	Name of Holder	Number of Parent Equity Interests Voted	CUSIP of Parent Equity Interests

If space provided is insufficient, attach additional sheet in the same format.

Item 4. Further Certification. By signing this Master Ballot, the undersigned certifies that: (a) each Beneficial Holder of Parent Equity Interests whose votes are being transmitted by this Master Ballot has been provided with a copy of the Plan, Disclosure Statement, Disclosure Statement Order and a Beneficial Holder Ballot for voting its Parent Equity Interests; (b) it is the Holder of record of Parent Equity Interest to which this Master Ballot pertains and/or has full power and authority to vote to accept or reject the Plan; (c) it received a properly completed and signed Beneficial Holder Ballot from each Beneficial Holder listed above; and (d) it accurately transcribed all applicable information from the Beneficial Holder Ballots received from each Beneficial Holder. The undersigned also acknowledges that the solicitation of this vote to accept or reject the Plan is subject to all the terms and conditions set forth in the Disclosure Statement Order, dated [_____], 2017.

OLD BPSUSH INC., *et al.* Class P7 (Parent Equity Interests) Mater Ballot

Name of Voting Nominee: ______________________________

Participant Number: ___________________________________

Signature: ____

If by Authorized Agent, Name and Title:____

Address: ____
____
____

Phone Number: _____________________________________

Email: ____

Dated: ____

INSTRUCTIONS FOR COMPLETING THE MASTER BALLOT

The Debtors are soliciting votes on the Plan described in and attached to the Disclosure Statement. Please review the Disclosure Statement and Plan carefully before you complete the Master Ballot.

The Master Ballot is to be used by the Nominees of Beneficial Holders of Parent Equity Interests. The Master Ballot must summarize votes cast by Beneficial Holders to accept or reject the Plan pursuant to the Beneficial Holder Ballots. The Master Ballot does not constitute and shall not be deemed to constitute (a) a Proof of Claim or Equity Interest; (b) an amendment to a Proof of Claim; (c) an assertion of a Claim or a waiver of any bar date or deadline to file a Proof of Claim; or (d) an admission by the Debtors of the nature, validity or amount of any Claim. This Master Ballot is not a letter transmittal and may not be used for any purpose other than to cast votes to accept or reject the Plan.

You must deliver the Beneficial Holder Ballot to each Beneficial Holder for whom you hold Parent Equity Interests no later than five (5) business days after the receipt of the solicitation materials from the Claims and Solicitation Agent, and take any action required to enable such Beneficial Holder to timely vote his, her or its Parent Equity Interests to accept or reject the Plan. With regard to Beneficial Holder Ballots returned to you, you must (1) execute the Master Ballot so as to reflect the voting instructions given to you in the Beneficial Holder Ballots by the Beneficial Holders for whom you hold Parent Equity Interests and (2) forward such Master Ballots to the Claims and Solicitation Agent.

You are authorized to collect votes to accept or to reject the Plan from Beneficial Owners in accordance with your customary practices, including the use of a "voting instruction form" in lieu of (or in addition to) a Beneficial Holder Ballot, and collecting votes from Beneficial Owners through online voting, by phone, facsimile, or other electronic means.

Multiple Master Ballots may be completed and delivered to the Claims and Solicitation Agent. Votes received by multiple Master Ballots will be counted except to the extent that the votes thereon are duplicative of other Master Ballots. If two or more Master Ballots are inconsistent, the last valid Master Ballot(s) received prior to the Voting Deadline will, to the extent of such inconsistency, supersede and revoke any prior Master Ballot(s). If more than one Master Ballot is submitted and the later Master Ballot(s) supplements rather than supersedes earlier Master Ballot(s), please mark the subsequent Master Ballot(s) with the words "Additional Vote" or such other language as you customarily use to indicate an additional vote that is not meant to revoke an earlier vote.

To have the votes of your customers count, you must complete, sign and return this Master Ballot (with an original signature) so that it is **RECEIVED** by the Claims and Solicitation Agent by **5:00 p.m. (ET)** on **November 13, 2017.**

To complete the Master Ballot properly, take the following steps:

(1) Check the appropriate box in Item 1 on the Master Ballot.

(2) Transcribe the votes from the Beneficial Holder Ballots in Item 2 and indicate whether each Beneficial Holder voted to accept or reject the Plan.

(3) In Item 3, transcribe any information contained in Item 3 of the Beneficial Holder Ballots. To identify Beneficial Holders without disclosing their names, please use the customer account number assigned by you to each such Beneficial Holder, or if no such customer account exists, please assign a number to each account (making sure to retain a separate list of Beneficial Holders and the assigned number). Important: Each Beneficial

Holder must vote all of its Parent Equity Interests either to accept or reject the Plan, and may not split votes. If any Beneficial Holder has attempted to split such vote, please contact the Claims and Solicitation Agent immediately. Any Ballot or Master Ballot that is signed, dated and timely received, but does not indicate acceptance or rejection of the Plan will not be counted for purposes of voting on the Plan.

(4) Review the certification in Item 4 of the Master Ballot.

(5) Sign and date the Master Ballot and provide the remaining information requested.

(6) If additional space is required to respond to any item on the Master Ballot, please use additional sheets of paper clearly marked to indicate the applicable item on the Master Ballot to which you are responding.

(7) Before the Voting Deadline, deliver the completed, executed Master Ballot the Claims and Solicitation Agent in the pre-addressed, postage pre-paid return envelope enclosed with this Master Ballot or return it to:

PSG Ballot Processing
c/o Prime Clerk LLC
830 Third Avenue, 3rd Floor
New York, New York 10022

Alternatively, Nominees may return Master Ballots via email to psgballots@primeclerk.com.

(8) Nominees may elect to pre-validate a Beneficial Holder Ballot (a "Pre-Validated Ballot") by (i) signing the applicable Beneficial Holder Ballot and including its Participant Number, (ii) indicating on the Beneficial Holder Ballot the account number of such holder, and the number of Parent Equity Interests (as applicable) held by the Nominee for such beneficial Holder, and (iii) forwarding the Beneficial Holder Ballot (together with the full Solicitation Package) to the beneficial Holder for voting. The beneficial Holder must then complete the information requested in the Beneficial Holder Ballot (including indicating a vote to accept or reject the Plan), review the certifications contained therein, and return the Beneficial Holder Ballot directly to the Claims and Solicitation Agent in the pre-addressed, postage paid envelope included with the Solicitation Package so that it is actually received by the Claims and Solicitation Agent on or prior to the Voting Deadline. A list of beneficial Holders to whom the Nominee sent Pre-Validated Ballots should be maintained by the Nominee for inspection for at least one year following the Voting Deadline.

Other than fees, commissions or remuneration payable to the Claims and Solicitation Agent, no fees, commissions or other remuneration will be payable to any broker, dealer, or other person for soliciting votes on the Plan. Upon written request, we will, however, reimburse you for reasonable, actual and necessary out-of-pocket expenses incurred by you in forwarding the Beneficial Holder Ballots and other enclosed materials to the Beneficial Holders of Parent Equity Interests held by you as Nominee or in a fiduciary capacity.

EXCEPT AS OTHERWISE PROVIDED IN THE SOLICITATION PROCEDURES APPROVED BY THE DISCLOSURE STATEMENT ORDER, NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF THE DEBTORS, THE CLAIMS AND SOLICITATION AGENT OR ANY OTHER PERSON WITH RESPECT TO THE PLAN, EXCEPT FOR THE STATEMENTS CONTAINED IN THE PLAN, THE DISCLOSURE STATEMENT AND RELATED DOCUMENTS.

If you have any questions regarding this Ballot or the voting procedures, or wish to receive a copy of the Plan, Disclosure Statement or related materials, please contact the Claims and Solicitation Agent at psgballots@primeclerk.com, by telephone at (855) 631-5352 or visit https://cases.primeclerk.com/PSG/. The Claims and Solicitation Agent will not, and is not, authorized to provide legal, business, financial or tax advice of any kind.

Exhibit 2-E

Form of Ballot for Subsidiary Debtors Class 3 General Unsecured Claims

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
OLD BPSUSH INC., *et al.*,[1]	)	Case No. 16-12373 (KJC)
Debtors.	)	(Jointly Administered)
	)	**Voting Deadline: November 13, 2017 at 5:00 p.m. (ET)** **Confirmation Objection Deadline: November 13, 2017 at 4:00 p.m. (ET)** **Confirmation Hearing Date: November 21, 2017 at 11:00 a.m. (ET)**

BALLOT FOR CLASS 3 GENERAL UNSECURED CLAIMS

FOR ACCEPTING OR REJECTING JOINT CHAPTER 11 PLAN OF LIQUIDATION OF OLD BPSUSH INC. AND ITS AFFILIATED DEBTORS

THE VOTING DEADLINE BY WHICH YOUR DULY COMPLETED BALLOT MUST BE ACTUALLY RECEIVED BY THE CLAIMS AND SOLICITATION AGENT IS NOVEMBER 13, 2017, AT 5:00 P.M. (ET) (THE "VOTING DEADLINE").

IF YOUR DULY COMPLETED BALLOT IS NOT ACTUALLY RECEIVED ON OR PRIOR TO THE VOTING DEADLINE, THE VOTE REPRESENTED BY YOUR BALLOT WILL NOT BE COUNTED.

This ballot (the "Ballot") is being provided to you by the above-captioned debtors and debtors in possession (the "Debtors") to solicit your vote to accept or reject the *Joint Chapter 11 Plan of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. _____] (as it may be amended, supplemented or modified from time to time pursuant to the terms thereof, the "Plan")[2] submitted by the Debtors and described in the related *Disclosure Statement with Respect to Joint Chapter 11 Plan of Liquidation of Old*

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively) (1514). The Debtors' mailing address is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

[2] All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement or the Plan, as applicable.

BPSUSH Inc. and Its Affiliated Debtors [Docket No. ___] (as it may be amended, supplemented or modified from time to time, the "Disclosure Statement"), that was approved by an order [Docket No. ______] of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Disclosure Statement describes the Plan and provides information to assist you in deciding how to cast your Ballot. Bankruptcy Court approval of the Disclosure Statement does not indicate Bankruptcy Court approval of the Plan. If you do not have a copy of the Disclosure Statement or Plan, you may obtain a copy free of charge on the dedicated webpage of Prime Clerk LLC (the "Claims and Solicitation Agent") at https://cases.primeclerk.com/PSG/. Copies of the Disclosure Statement and Plan are also available: (a) for a fee, on the Bankruptcy Court's website, www.deb.uscourts.gov (a PACER account is required); (b) upon written request to the Claims and Solicitation Agent at PSG Ballot Processing, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022, by telephone at (855) 631-5352, or (c) by contacting the Claims and Solicitation Agent electronically by submitting an inquiry via psgballots@primeclerk.com. Electronic copies of the Plan and Disclosure Statement may also be obtained by visiting the Monitor's website at www.ey.com/ca/psg and will be available following the Confirmation Hearing on SEDAR at www.sedar.com and on the SEC's website at www.sec.gov.

IMPORTANT

You should review the Disclosure Statement and the Plan before you vote. You should seek your own legal, business, financial or tax advice concerning the Plan, your individual tax consequences and your classification and treatment under the Plan. Your Claim has been placed in Class 3 – General Unsecured Claims under the Plan for the Debtor named in Item 1 of this Ballot.

If your duly completed Ballot is not actually received by the Claims and Solicitation Agent on or prior to the Voting Deadline, and such deadline is not extended by the Debtors, your vote will not count as either an acceptance or rejection of the Plan. If the Plan is confirmed by the Bankruptcy Court it will be binding on you whether or not you vote.

You may return your Ballot in the return envelope provided in your package or in the alternative, return your Ballot, via first class mail, hand delivery, or overnight courier, to:

PSG Ballot Processing
c/o Prime Clerk LLC
830 Third Avenue, 3rd Floor
New York, New York 10022

Alternatively, to submit your Ballot via the Notice and Claims Agent's online balloting portal, visit https://cases.primeclerk.com/psg. Click on the "Submit E-Ballot" section of the website and follow the instructions to submit your Ballot.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized electronic Ballot:

Unique E-Ballot ID#:____

ACCEPTANCE OR REJECTION OF THE PLAN

Item 1. Vote Amount. For purposes of voting to accept or reject the Plan, as of October 3, 2017 (the "Voting Record Date"), the undersigned (the "Claimant") was a holder of Class 3 General Unsecured Claims against the Debtor named below in the aggregate amount set forth below.

Voting Amount: $______________________________________

Debtor: ____

Item 2. Vote on Plan. CHECK ONE BOX ONLY:

☐ **ACCEPTS (votes FOR) the Plan**

☐ **REJECTS (votes AGAINST) the Plan**

Item 3. Opt-Out Election. By checking the box below, the Claimant elects **NOT** to release the Released Parties as set forth in Article X.B of the Plan. **IF YOU DO NOT CHECK THE BOX BELOW, YOU WILL BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND FOREVER RELEASED AND DISCHARGED THE RELEASED PARTIES FROM ANY AND ALL CLAIMS AND CAUSES OF ACTION TO THE EXTENT PROVIDED IN ARTICLE X.B OF THE PLAN.**

☐ **The Claimant elects NOT to grant (OPTS OUT of) the releases set forth in Article X.B of the Plan**

IMPORTANT INFORMATION REGARDING THE RELEASES

Following confirmation, subject to certain conditions set forth in the Plan, the Plan will be substantially consummated on the Effective Date. Among other things, effective as of the Confirmation Date but subject to the occurrence of the Effective Date, certain release, injunction, and exculpation provisions set forth in Article X of the Plan will become effective. In determining how to cast your vote on the Plan, it is important to read the provisions contained in Article X of the Plan very carefully so that you understand how confirmation and substantial consummation of the Plan—which effectuates such provisions—will affect you and any Claim(s) you may hold against the Released Parties under the Plan.

Specifically, the third-party releases in Article X.B of the Plan (the "Releases") bind the "Releasing Parties," which the Plan defines as "each Holder of a Claim that (i) affirmatively votes to accept this Plan; (ii) is Unimpaired pursuant to this Plan and therefore is deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code; or (iii) rejects this Plan or abstains from voting on this Plan and that does not mark its Ballot indicating its desire to opt out of the releases provided in Article X.B of this Plan. For the avoidance of doubt, 'Releasing Party' shall not include Holders of Parent Equity Interests, or Holders of Claims that either: (a) are deemed to reject this Plan pursuant to section 1126(g) of the Bankruptcy Code; (b) are entitled to vote on this Plan and opt out of granting the releases provided in Article X.B of this Plan by checking the appropriate box on the Ballot; or (c) are deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code and opt out of granting the releases provided in Article X.B of this Plan by checking the appropriate box on the Opt-Out Notice." The Releases in Article X.B. of the Plan provide as follows:

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, AS OF THE EFFECTIVE DATE, THE THIRD-PARTY RELEASEES SHALL BE DEEMED

TO HAVE BEEN CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED BY THE RELEASING PARTIES FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, REMEDIES, CAUSES OF ACTION, RIGHTS OF SETOFF, OTHER RIGHTS, AND LIABILITIES WHATSOEVER, WHETHER FOR TORT, CONTRACT, VIOLATIONS OF FEDERAL, PROVINCIAL OR STATE SECURITIES LAWS, AVOIDANCE ACTIONS, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED DIRECTLY OR INDIRECTLY ON BEHALF OF THE RELEASING PARTIES OR THEIR AFFILIATES, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, AND ANY AND ALL CAUSES OF ACTION ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED ON BEHALF OF THE RELEASING PARTIES OR THEIR AFFILIATES (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM, BASED ON OR IN ANY WAY RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE LIQUIDATION TRUST, THE DEBTORS, THE DEBTORS' ESTATES OR THE DEBTORS' SUBSIDIARIES, THE CONDUCT OF THE DEBTORS' BUSINESSES, THE IN-COURT OR OUT-OF-COURT EFFORTS TO RESTRUCTURE OR LIQUIDATE THE DEBTORS, THE FORMULATION, PREPARATION, SOLICITATION, DISSEMINATION, NEGOTIATION, OR FILING OF THE DISCLOSURE STATEMENT OR THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), OR ANY CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH OR PURSUANT TO THE DISCLOSURE STATEMENT, THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), THE FILING AND PROSECUTION OF THE CHAPTER 11 CASES OR THE CCAA PROCEEDINGS, THE PURSUIT OF CONFIRMATION, THE PURSUIT OF CONSUMMATION, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM THAT IS TREATED IN THIS PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE LIQUIDATION TRUST, THE DEBTORS, THE DEBTORS' ESTATES OR THE DEBTORS' SUBSIDIARIES, ON THE ONE HAND, AND ANY RELEASING PARTIES, ON THE OTHER HAND, PREPETITION CONTRACTS AND AGREEMENTS WITH ANY DEBTOR, OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE BEFORE THE EFFECTIVE DATE.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE RELEASES SET FORTH IN THIS ARTICLE X.B, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT SUCH RELEASE IS: (A) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE THIRD-PARTY RELEASEES; (B) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THIS ARTICLE X.B; (C) IN THE BEST INTERESTS OF THE

DEBTORS AND THEIR ESTATES; (D) FAIR, EQUITABLE, AND REASONABLE; (E) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (F) A BAR TO ANY PERSON ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED BY THIS ARTICLE X.B.

Item 4. Certification. By signing this Ballot, the Claimant certifies that: (a) on the Voting Record Date, it was the Holder of the Class 3 General Unsecured Claim to which this Ballot pertains or is an authorized signatory for such Holder; (b) it has full power and authority to vote to accept or reject the Plan, make the Opt Out Election, execute, and return this Ballot; and (c) it has received a copy of the Disclosure Statement, the Plan, and other solicitation materials. The undersigned understands that an otherwise properly completed, executed and timely-returned Ballot that does not indicate either acceptance or rejection of the Plan or indicates both acceptance and rejection of the Plan will not be counted. The undersigned also certifies that its vote on the Plan is subject to all the terms and conditions set forth in the Plan and the Disclosure Statement.

Name of Claimant: ______________________________

Signature: ______________________________

Name (if different from that of the Claimant): ______________
____

Title: ______________________________

Address: ______________________________
____
____

Phone Number: ______________________________

Email: ______________________________

Dated: ______________________________

Please make sure you have provided all information requested in this Ballot. Please read and follow the instructions set forth in the attached Voting Instructions carefully. Please complete, sign and date this Ballot and return it by mail, hand delivery, overnight courier or via the online balloting portal so that it is actually received by the Claims and Solicitation Agent by November 13, 2017 at 5:00 p.m. (ET).

VOTING INSTRUCTIONS

1. In order for your vote to count, you must:

(i) In the boxes provided in Item 2 of this Ballot, indicate either acceptance or rejection of the Plan by checking the appropriate box; and

(ii) Review and sign the certifications in Item 4 of this Ballot. Please be sure to sign and date your Ballot. Your signature is required in order for your vote to be counted. If you are completing this Ballot on behalf of an entity, indicate your relationship with such entity and the capacity in which you are signing. If the General Unsecured Claim is held by an entity, your Ballot must be executed in the name of an authorized signatory. In addition, please provide your name and mailing address if different from that set forth on the attached mailing label or if no such mailing label is attached to this Ballot.

2. Review the Opt-Out Election disclosure in Item 3, and determine whether to opt out of the release in Article X.B of the Plan by checking the box in Item 3.

3. **To have your vote counted and for any elections (including the Opt-Out Election) made in this Ballot to be effective, you must complete, sign and return this Ballot so that it is actually received by the Claims and Solicitation Agent not later than 5:00 p.m. (ET) on November 13, 2017.**

4. Return the duly completed Ballot to the Claims and Solicitation Agent in the pre-addressed, postage pre-paid return envelope provided with this Ballot or return it to:

PSG Ballot Processing
c/o Prime Clerk LLC
830 Third Avenue, 3rd Floor
New York, New York 10022

Alternatively, to submit your Ballot via the Claims and Solicitation Agent's online balloting portal, visit https://cases.primeclerk.com/psg. Click on the "Submit E-Ballot" section of the website and follow the instructions to submit your Ballot.

IMPORTANT NOTE: You will need the your unique, customized E-Ballot ID# provided above to retrieve and submit your customized electronic Ballot.

The Claims and Solicitation Agent's online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile, email or other means of electronic transmission will not be counted.

Each E-Ballot ID# is to be used solely for voting only those Claims described in Item 1 of your electronic Ballot. Please complete and submit an electronic Ballot for each E-Ballot ID# you receive, as applicable. Creditors who cast a Ballot using the Claims and Solicitation Agent's online portal should NOT also submit a paper Ballot.

5. A Ballot that either (i) indicates both acceptance and rejection of the Plan or (ii) fails to indicate either an acceptance or rejection of the Plan will not be counted.

6. You must vote all of your Claims within a single Class under the Plan either to accept or to reject the Plan. A Ballot that partially rejects and partially accepts the Plan will not be counted.

7. If you cast more than one Ballot to vote the same Claim prior to the Voting Deadline, the latest properly duly completed Ballot timely received by the Claims and Solicitation Agent will be deemed to reflect your intent and shall supersede and revoke any earlier received and duly completed Ballot. If you cast multiple Ballots on account of the same Claim, which are received by the Claims and Solicitation Agent on the same day, but which are voted inconsistently, such Ballots shall not be counted.

8. Any Ballot that is illegible or that contains insufficient information to permit the identification of the Claimant will not be counted.

9. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim against any of the Debtors or an assertion or admission of a Claim by any of the Debtors.

10. It is important that you vote. The Plan can be confirmed by the Bankruptcy Court and thereby made binding on you if it is accepted by the Holders of at least two-thirds in amount and more than one-half in number of the Claims in each impaired Class who vote on the Plan (and as to Equity Interests, two-thirds in the number of shares which are voted on the Plan) and if the Plan otherwise satisfies the applicable requirements of section 1129(a) of title 11 of the United States Code (the "Bankruptcy Code"). If the requisite acceptances are not obtained, the Bankruptcy Court nonetheless may confirm the Plan if it finds that the Plan: (a) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes voting to reject the Plan; and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. To confirm a plan over the objection of a dissenting Class, the Bankruptcy Court also must find that at least one Impaired Class of Claims has accepted the plan, with such acceptance being determined without including the acceptance of any "insider" in such Class.

11. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS CONTAINED IN THE MATERIALS MAILED WITH THIS BALLOT OR OTHER SOLICITATION MATERIALS APPROVED BY THE BANKRUPTCY COURT, INCLUDING, THE DISCLOSURE STATEMENT.

12. PLEASE RETURN A DULY COMPLETED BALLOT PROMPTLY.

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THESE VOTING INSTRUCTIONS, OR IF YOU NEED ADDITIONAL COPIES OF THIS BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE CLAIMS AND SOLICITATION AGENT AT (855) 631-5352. THE CLAIMS AND SOLICITATION AGENT WILL NOT, AND IS NOT AUTHORIZED TO, PROVIDE LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE OF ANY KIND.

Exhibit 3

Option 1—Liquidation Trust Election Form

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
OLD BPSUSH INC., *et al.*,[3]	)	Case No. 16-12373 (KJC)
Debtors.	)	(Jointly Administered)
	)	**Liquidation Trust Election Bar Date:**
	)	**November 13, 2017 at 5:00 p.m. (ET)**

OPTION 1—LIQUIDATION TRUST ELECTION FORM

By order dated [______], 2017 (the "Disclosure Statement Order"), the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") approved the *Disclosure Statement with Respect to Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ___] (as it may be amended, supplemented or modified from time to time, the "Disclosure Statement") as containing adequate information within the meaning of section 1125 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq*. (the "Bankruptcy Code"). In connection therewith, the above-captioned debtors and debtors in possession (collectively, the "Debtors") are soliciting votes with respect to the *Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ____] (as it may be amended, supplemented or modified from time to time pursuant to the terms thereof, the "Plan").

This ***Option 1—Liquidation Trust Election Form*** is being sent to the beneficial Holders[4] (each a "Beneficial Holder") of Parent Equity Interests under the Plan. This Liquidation Trust Election Form is to be used by Beneficial Holders of Parent Equity Interests, if desired, **to elect Option 1** in respect of the their Parent Equity Interests (*i.e.*, to have their Parent Equity Interests mandatorily purchased for cancellation (in accordance with the instructions set forth on this

[3] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively) (1514). The Debtors' mailing address is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

[4] All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement or the Plan, as applicable.

form) in exchange for their respective Pro Rata shares of Beneficial Trust Interests in the Liquidation Trust as set forth in the Plan, including a right to receive their Pro Rata shares of any Shareholder Distributable Assets (the "Option 1—Trust Interest Election"), remaining after initial distributions of Sale Proceeds (if any)have been made.

After the Effective Date, Beneficial Trust Interests may not continue to be held in a depository, such as The Depository Trust Company ("DTC") or the Canadian Clearing and Depositary Securities Inc. ("CDS"). Distributions, if any, to be made by the Liquidation Trust may be made through DTC and/or CDS; provided, however, that the Liquidation Trustee may instead elect to process distributions, if any, in a different manner, as the Liquidation Trustee determines necessary or appropriate under applicable laws. In such an instance, the Reorganized Parent Debtor or Liquidation Trustee may require further information regarding the Beneficial Holders in order to facilitate such distributions of the Liquidation Trust assets attributable to them.

IMPORTANT NOTICE: a Beneficial Holder's ability to receive future distributions on account of Beneficial Trust Interests may be conditioned on such holder providing sufficient documentation and identification necessary to complete registration. If a Beneficial Holder fails to provide such sufficient documentation and information, notwithstanding any election of Option 1 herein, such election shall be deemed null and void and any future distributions shall be made on account of such Beneficial Holder on account of their Parent Equity Interests as though such holder had elected Option 2 under the Plan.

To facilitate this distribution election, the Debtors have coordinated with (i) CDS to utilize its electronic blocking system and (ii) DTC to utilize its Automated Tender Offer Program ("ATOP"). Any Beneficial Holder whose Parent Equity Interests are held through a broker, commercial bank, transfer agent, trust company, dealer or other intermediary or nominee, identified by the Debtors' Claims and Solicitation Agent as an entity through which Beneficial Holders indirectly hold Parent Equity Interests (each of the foregoing, a "Nominee") and who wishes to make the Option 1—Trust Interest Election should contact its Nominee promptly and instruct such Nominee to (i) electronically deliver such Beneficial Holder's Parent Equity Interests into the appropriate segregated account corresponding to the applicable distribution election established at CDS or DTC in accordance with CDS's or DTC's electronic delivery procedures (as applicable) and (ii) return this Liquidation Trust Election Form to Prime Clerk by [___________] (the "Liquidation Trust Election Bar Date"). **Please be advised that CDS's electronic blocking system will close at or soon after 5:00 pm (ET) on the Liquidation Trust Election Bar Date and DTC's ATOP closes at 5:00 pm (ET) on the Liquidation Trust Election Bar Date.**

Please allow sufficient time for your Nominee to (i) receive your Liquidation Trust Election Form, (ii) electronically deliver your Parent Equity Interests through CDS's electronic blocking system or DTC's ATOP (as applicable), and (iii) return your Liquidation Trust Election Form to Prime Clerk on or before the Liquidation Trust Election Bar Date.

If you take no action or if your Parent Equity Interests are not electronically delivered on or before the Liquidation Trust Election Bar Date, you will retain your Parent Equity Interests.

THE LIQUIDATION TRUST ELECTION BAR DATE IS NOVEMBER 13, 2017 AT 5:00 P.M. (ET).

IMPORTANT

YOU SHOULD REVIEW THE ACCOMPANYING DISCLOSURE STATEMENT AND PLAN FOR A DESCRIPTION OF THE PLAN AND ITS EFFECTS ON HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTORS, INCLUDING THE EFFECTS OF MAKING THIS ELECTION OR ELECTING NOT TO DO SO. YOU SHOULD SEEK YOUR OWN LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE CONCERNING THE PLAN, YOUR INDIVIDUAL TAX CONSEQUENCES AND YOUR CLASSIFICATION AND TREATMENT UNDER THE PLAN.

AS THE CANADIAN TAX CONSEQUENCES OF MAKING THE OPTION 1—TRUST INTEREST ELECTION ARE UNCERTAIN, IT IS STRONGLY RECOMMENDED THAT BENEFICIAL HOLDERS WHO ARE RESIDENTS OF CANADA OR DEEMED TO BE RESIDENTS OF CANADA FOR PURPOSES OF THE INCOME TAX ACT (CANADA) CONSULT THEIR OWN TAX ADVISORS FOR ADVICE PRIOR TO ELECTING TO HAVE THEIR PARENT EQUITY INTERESTS MANDATORILY PURCHASED FOR CANCELLATION IN EXCHANGE FOR THEIR PRO RATA SHARE OF BENEFICIAL TRUST INTERESTS IN THE LIQUIDATION TRUST AS SET FORTH IN THE PLAN. SEE "RISK FACTORS" AND "CERTAIN CANADIAN FEDERAL INCOME TAX CONSEQUENCES AND RISKS OF THE PLAN" IN THE ACCOMPANYING DISCLOSURE STATEMENT.

IF YOU HAVE ANY QUESTIONS REGARDING THIS LIQUIDATION TRUST ELECTION FORM OR THE RELATED PROCEDURES, PLEASE CONTACT PRIME CLERK LLC ("PRIME CLERK"), THE CLAIMS AND SOLICITATION AGENT, AT PSGBALLOTS@PRIMECLERK.COM OR BY TELEPHONE AT (855) 631-5352. PRIME CLERK WILL NOT, AND IS NOT AUTHORIZED TO, PROVIDE LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE OF ANY KIND.

Item 1. Certification of Authority to Make Option 1—Trust Interest Election.

The undersigned hereby certifies that it is the Beneficial Holder (or authorized signatory for such Beneficial Holder), or the Nominee of the Beneficial Holder of Parent Equity Interests in the Parent Debtor in the following number of interests (if your Parent Equity Interests are held by a Nominee on your behalf and you do not know the number of interests held, please contact your Nominee immediately):

____.

Item 2. Option 1—Trust Interest Election.

By checking the box below, such Beneficial Holder elects to have their Parent Equity Interests mandatorily purchased for cancellation in exchange for their Pro Rata share of Beneficial Trust Interests in the Liquidation Trust as set forth in the Plan, including a right to receive their Pro Rata share of any other Shareholder Distributable Assets. Such Beneficial Trust Interests will not be eligible at a depository and will be registered directly in the name of the Beneficial Holder.

IMPORTANT

Holders who are **UNITED STATES PERSONS** should carefully consider Article XIX of the Disclosure Statement entitled "Certain U.S. Federal Income Tax Consequences of the Plan", including the sections thereof entitled "C. U.S. Federal Tax Consequences to U.S. Holders of Parent Equity Interests Electing Option 1", "D. U.S. Federal Tax Consequences to U.S. Holders of Parent Equity Interests Electing Option 2", and "G. U.S. Federal Income Tax Treatment of the Liquidation Trust and Liquidation Trust Beneficiaries"; such United States Persons are urged to consider **ELECTING OPTION 1** (election to participate in the U.S. Liquidation Trust), rather than Option 2 (election to retain stock in Canadian Parent). Option 1 is intended to mitigate potential adverse U.S. income tax consequences that could arise for United States Persons who continue to own stock in Canadian Parent. Each Holder who is a United States Person should consult its own tax advisors with regard to its own tax situation.

Holders who are **CANADIAN RESIDENTS** should carefully consider the sections in the Disclosure Statement entitled "BB. Canadian Shareholders Who Elect Option 1 and Receive Beneficial Trust Interests" and "CC. Canadian Tax Consequences of Liquidation Trust is Uncertain"; such Canadian residents are urged to **ELECT OPTION 2** (election to retain stock in Canadian Parent) rather than Option 1 (election to participate in the U.S. Liquidation Trust). Each Holder who is a Canadian resident should consult its own tax advisors with regard to its own tax situation. To elect Option 2, you do not need to take any further action and do not need to return this form.

☐ **OPTION 1 ELECTION**. The undersigned elects to have their Parent Equity Interests mandatorily purchased for cancellation in exchange for their Pro Rata share of Beneficial Trust Interests in the Liquidation Trust as set forth in the Plan, including a right to receive their Pro Rata share of any other Shareholder Distributable Assets.

As evidence of your election and the electronic delivery of your Parent Equity Interests through CDS or DTC (as applicable), you must provide the requested information below or such election will not be honored (this information may be obtained from your Nominee or your Nominee may complete this on your behalf if so instructed by you):

CDS BLOCKING NUMBER: ____

OR

DTC ATOP CONFIRMATION NUMBER: _____________________________________

Exhibit 4

Notice of Non-Voting Status

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
OLD BPSUSH INC., *et al.*,[1]	Case No. 16-12373 (KJC)
Debtors.	(Jointly Administered)
	Voting Deadline: November 13, 2017 at 5:00 p.m. (ET) **Confirmation Objection Deadline: November 13, 2017 at 4:00 p.m. (ET)** **Confirmation Hearing Date: November 21, 2017 at 11:00 a.m. (ET)**

NOTICE OF NON-VOTING STATUS
TO HOLDERS OF UNIMPAIRED CLAIMS AND INTERESTS

PLEASE TAKE NOTICE THAT the above-captioned debtors and debtors in possession (the "Debtors") submitted the *Joint Chapter 11 Plan of Old BPSUSH Inc.and Its Affiliated Debtors* [Docket No. ___] (as it may be amended, supplemented or modified from time to time pursuant to the terms thereof, the "Plan")[2] submitted by the Debtors and described in the related *Disclosure Statement with Respect to Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ___] (as it may be amended, supplemented or modified from time to time, the "Disclosure Statement"), that was approved by an order [Docket No. __] of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Disclosure Statement Order authorizes the Debtors to solicit votes to accept or reject the Plan, from the Holders of Claims and Equity Interests in the Voting Classes that are (or may be) entitled to receive Distributions under the Plan but also are impaired by the Plan.

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively) (1514). The Debtors' mailing address is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

[2] All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement or the Plan, as applicable.

YOU ARE OR MIGHT BE THE HOLDER OF CLAIMS AND/OR INTERESTS IN THE FOLLOWING CLASSES OF UNIMPAIRED CLAIMS AND INTERESTS UNDER THE PLAN THAT, IN EITHER CASE, ARE NOT ENTITLED TO VOTE ON THE PLAN:

(a) Parent Debtor Plan: Claims Against and Equity Interests in Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd.).

Class	Description of Class	Treatment
P1	Secured Claims	Unimpaired; Deemed to Accept
P2	Priority Non-Tax Claims	Unimpaired; Deemed to Accept
P3	SEC Claim	To Be Determined
P5	Intercompany Claims	Unimpaired; Deemed to Accept
P6	Individual Securities Damages Claims	Unimpaired; Deemed to Accept

(b) Subsidiary Debtor Plans: Claims Against and Equity Interests in Subsidiary Debtors.

Class	Description of Class	Treatment
1	Secured Claims	Unimpaired; Deemed to Accept
2	Priority Non-Tax Claims	Unimpaired; Deemed to Accept
4	Intercompany Claims	Unimpaired; Deemed to Accept
5	Intercompany Equity Interests	Unimpaired; Deemed to Accept

UNDER THE TERMS OF THE PLAN, HOLDERS OF CLAIMS AGAIN DEBTORS IN PARENT PLAN CLASSES P1, P2, P5 AND P6; AND SUBSIDI PLAN 1, 2, 4, AND 5 ARE UNIMPAIRED UNDER THE PLAN AND, THEREF TO SECTION 1126(f) OF THE BANKRUPTCY CODE, ARE (I) PRESUMED ACCEPTED THE PLAN, AND (II) NOT ENTITLED TO VOTE ON THE PLAN.

CONFIRMATION HEARING

On November 21, 2017, at 11:00 a.m. (ET), or as soon thereafter as counsel may be heard, a joint hearing (the "Confirmation Hearing") will be held before the Honorable Kevin J. Carey, United States Bankruptcy Judge, in Courtroom No.5, 5th Floor at the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, Wilmington, Delaware 19801, to consider confirmation of the Plan and before the Honourable Justice Hainey, on the 8th Floor, Ontario Superior Court of Justice (Commercial List) (the "Canadian Court"), 330 University Avenue, Toronto, Ontario M5G 1R7, with the Canadian Court considering issuance of an order (the "CCAA Approval Order") effectuating the Plan in the proceedings pending before the Canadian Court, as applicable. The Confirmation Hearing may be adjourned or postponed, from time to time, without further notice to creditors, shareholders or other parties in interest other than by an announcement of such an adjournment or postponement in open court at the Confirmation Hearing. The Plan may be modified in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the terms of the Plan, and other applicable law, without further notice, prior to, or as a result of, the Confirmation Hearing.

DEADLINE FOR OBJECTIONS TO THE PLAN

Objections to confirmation of, or proposed modifications, to the Plan, if any, must (i) be in writing; (ii) state the name and address of the objecting party; (iii) state the amount (if applicable) and nature of the Claim of, or number of Parent Equity Interests held by, such party; (iv) state with particularity the basis and nature of any objection to the Disclosure Statement and/or Plan and proposed modifications to the Plan that would resolve such objection; and (v) be filed, together with proof of service, with the Bankruptcy Court and served so that they are received no later than November 13, 2017 at 4:00 p.m. (ET) (the "Confirmation Objection Deadline") by the following parties: (i) co-counsel to the Debtors, (1) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas New York, New York 10019 (Attn: Kelley A. Cornish and Alice Belisle Eaton), and (2) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801 (Attn: Pauline K. Morgan, Sean T. Greecher, and Justin H. Rucki); (ii) counsel to the Equity Committee, (1) Brown Rudnick LLP, Seven Times Square, New York, New York 10036 (Attn: Robert J. Stark and Andrew M. Carty), (2) Brown Rudnick LLP, One Financial Center, Boston, MA 02111 (Attn: Steven B. Levine), and (3) Montgomery McCracken Walker & Rhoads LLP, 1105 North Market Street, 15th Floor, Wilmington, Delaware 19801 (Attn: Mark A. Fink); and (iii) counsel to the Creditors' Committee, (1) Blank Rome LLP, 1201 Market Street, Suite 800, Wilmington, Delaware 19801 (Attn: Stanley B. Tarr and Josef W. Mintz), and (2) Blank Rome LLP, The Chrysler Building, 405 Lexington Avenue, New York, New York 10174 (Attn: Michael B. Schaedle); (iv) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Mark S. Kenney); and (v) counsel to the Monitor, Thornton Grout Finnigan LLP, 100 Wellington Street West, Suite 3200, Toronto, Ontario M5K 1K7 (Attn: Robert Thornton and Rachel Bengino). Objections that are not timely filed and served in the manner set forth above may not be considered by the Bankruptcy Court.

SUMMARY OF TREATMENT OF CLAIMS UNDER THE PLAN

The Plan proposes to modify the rights of certain Holders of Claims and Holders of Parent Equity Interests. Claims and Equity Interests are classified for all purposes, including voting, confirmation, and distribution pursuant to the Plan, as follows:

(a) Parent Debtor Plan: Claims Against and Equity Interests in Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd.).

Class	Claim or Equity Interest	Estimated Recovery	Treatment
P1	Secured Claims	100%	On or as soon as practicable after the Effective Date, each Holder of a Class P1 Allowed Secured Claim, if any, shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Secured Claim: (a) the return of the Collateral securing such Allowed Secured Claim; (b) Cash equal to 100% of the amount of such Allowed Secured Claim and Post-Petition Interest required to be paid under section 506(b) of the Bankruptcy Code; (c) such other treatment as will render the Holder of such Allowed Secured Claim Unimpaired; or (d) such other treatment as to which the Holder of such Allowed Secured Claim has agreed to in writing.
P2	Priority Non-Tax Claims	100%	Unless the Holder agrees to a different treatment, on or as soon as practicable after the later of the Effective Date or the date a Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, each Holder of an Allowed Priority Non-Tax Claim shall receive Payment in Full in Cash with Post-Petition Interest, or such other treatment as will render the Allowed Priority Non-Tax Claim Unimpaired.
P3	SEC Claim	To Be Determined	To Be Determined
P4	General Unsecured Claims	100%	To the extent not already Paid in Full or otherwise satisfied prior to the Effective Date, on or as soon as practicable after the later of (i) the Effective Date or (ii) the date a General Unsecured Claim becomes an Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive Payment in Full in Cash of the Allowed amount of its Claim. For the avoidance of doubt, in accordance with the Global Settlement, Holders of Allowed General Unsecured Claims shall not receive Post-Petition Interest on account of such Allowed General Unsecured Claims.

Class	Claim or Equity Interest	Estimated Recovery	Treatment
P5	Intercompany Claims	Reinstated	On or after the Effective Date, each Intercompany Claim shall be Reinstated, subject to the rights of Holders of General Unsecured Claims in Class P4 under the Plan (including the Global Settlement) and the CCAA Approval Order, and any Cash or Assets of the U.S. Debtors that are required to be distributed pursuant to the Plan (including the Retained Causes of Action and Liquidation Trust Expense Reserve) shall be transferred by the U.S. Debtors to the Reorganized Parent Debtor in satisfaction of the same amount of such applicable Intercompany Claims, and Intercompany Claims shall receive such additional or different treatment as will be set forth in the Plan Supplement.
P6	Individual Securities Damages Claim	100%	To the extent that the Individual Securities Damages Claim is Allowed by a Final Order, as soon as reasonably practicable thereafter, the Distribution Agent shall pay such Allowed Claim in Cash and solely from and up to the amount of the Individual Securities Damages Claim Reserve, subject to the rights of Holders of General Unsecured Claims to the prior Payment in Full of such Holders' Allowed Claims under the Plan (including the Global Settlement). For the avoidance of doubt, the Individual Securities Damages Claim shall not receive any distribution on account of any Allowed Individual Securities Damages Claim in excess of the Individual Securities Damages Claim Reserve, and such Claim shall not be treated as a Parent Equity Interest notwithstanding section 510(b) of the Bankruptcy Code and the CCAA.
P7	Parent Equity Interests	Pro Rata share of Shareholder Distributable Assets, which is anticipated to be within a range of $___ to $___ per share	Holders of Parent Equity Interests will receive their Pro Rata share of the Shareholder Distributable Assets under, and subject to, the Plan (including the Global Settlement) and the CCAA Approval Order. The Plan allows Holders of Parent Equity Interests to elect to receive certain of such Plan consideration in the form of either Beneficial Trust Interests (and a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with the Plan) in exchange for their Parent Equity Interests, or to retain their Parent Equity Interests. Holders of Beneficial Trust Interests and Holders of Parent Equity Interests will receive distributions of equal amounts of Cash under the Plan per Parent Equity Interests on a Pro-Rata basis (other than differences attributable to the differing tax treatment

Class	Claim or Equity Interest	Estimated Recovery	Treatment
			of the Liquidation Trust and the Reorganized Parent Debtor that may consequently result in more or less favorable recoveries to Holders of Parent Equity Interests after consideration of the potentially differing rates and basis of taxation of the individual Holders). Article V.B.3 of the Plan further describes the distributions that will be made to Holders of Parent Equity Interests and Beneficial Trust Interests. The Plan provides the following two options for receiving Plan consideration to Holders of Allowed Parent Equity Interests: Option 1: Beneficial Holders of Allowed Parent Equity Interests may elect to have their Parent Equity Interests mandatorily purchased and cancelled in exchange for their Pro Rata share of Beneficial Trust Interests (and a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with the Plan) ("Option 1"). To elect Option 1, beneficial Holders of Allowed Parent Equity Interests must submit an Option 1—Liquidation Trust Election Form on or before the Liquidation Trust Election Bar Date using the instructions set forth therein. The Debtors shall cause the Option 1— Liquidation Trust Election Form to be mailed to Holders of Allowed Parent Equity Interests through the Holders of record at the same time as votes on the Plan are solicited from Holders of Parent Equity Interests, as set forth in the Disclosure Statement Order. Subject to the terms of the Plan and at the time prescribed by the Plan, the Holders of Allowed Parent Equity Interests who elect Option 1 shall have their Parent Equity Interests mandatorily purchased and cancelled in exchange for (i) a deemed distribution of the Liquidation Trust Assets attributable to them, (ii) a deemed distribution of their Pro Rata share of the Liquidation Trust Expense Reserve (followed immediately by a deemed contribution of such Pro Rata share to the Liquidation Trust) in accordance with the Plan, and (iii) a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with the Plan. The Holders of Parent Equity Interests electing to receive Beneficial Trust Interests as set forth in the Plan shall be

Class	Claim or Equity Interest	Estimated Recovery	Treatment
			deemed to immediately contribute their share of Liquidation Trust Assets to the Liquidation Trust. Beneficial Holders of Allowed Parent Equity Interests may elect Option 1 or Option 2 only for all of their Allowed Parent Equity Interests. All beneficial Holders of Allowed Parent Equity Interests who fail to timely submit the Liquidation Trust Election Form, who fail to properly make an election on the Option 1—Liquidation Trust Election Form, who make an election with respect to less than all of their Parent Equity Interests or who fail to take any action under the Plan shall be deemed to have elected Option 2 under the Plan. <u>Option 2</u>: All Holders of Allowed Parent Equity Interests who do not elect Option 1 by the Liquidation Trust Election Bar Date or who are deemed to have elected Option 2 shall retain their Allowed Parent Equity Interests through the Final Distribution Date ("Option 2"). On or after the Final Distribution Date, the Reorganized Parent Debtor shall be dissolved and all remaining Allowed Parent Equity Interests shall be cancelled. If any Holder of Allowed Parent Equity Interests elects Option 1 and the Liquidation Trust is subject to adverse tax consequences in Canada as a result of such Holder holding Beneficial Trust Interests, any transfer to such Holder and the cancellation of such Holder's Parent Equity Interests shall be void ab initio and Reorganized Parent, the Holder and the Liquidation Trust shall treat such Holder at all times as if such Holder had elected Option 2 (the "<u>Disallowed Election</u>").

(c) Subsidiary Debtor Plans: Claims Against and Equity Interests in Subsidiary Debtors.

Class	Claim or Equity Interest	Estimated Percentage Recovery	Treatment
1	Secured Claims	100%	On or as soon as practicable after the Effective Date, each Holder of a Class 1 Allowed Secured Claim, if any, shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Secured Claim: (a) the return of the Collateral securing such Allowed Secured Claim; (b) Cash equal to 100% of the amount of such Allowed Secured Claim and Post-Petition Interest required to be paid under section 506(b) of the Bankruptcy Code; (c) such other treatment as will render the Holder of such Allowed Secured Claim Unimpaired; or (d) such other treatment as to which the Holder of such Allowed Secured Claim has agreed to in writing.
2	Priority Non-Tax Claims	100%	Unless the Holder agrees to a different treatment, on or as soon as practicable after the later of the Effective Date or the date a Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, each Holder of an Allowed Priority Non-Tax Claim shall receive Payment in Full in Cash with Post-Petition Interest, or such other treatment as will render the Allowed Priority Non-Tax Claim Unimpaired.
3	General Unsecured Claims	100%	To the extent not already Paid in Full or otherwise satisfied prior to the Effective Date, on or as soon as practicable after the later of (i) the Effective Date or (ii) the date a General Unsecured Claim becomes an Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive Payment in Full in Cash of the Allowed amount of its Claim. For the avoidance of doubt, Holders of Allowed General Unsecured Claims shall not receive Post-Petition Interest

Class	Claim or Equity Interest	Estimated Percentage Recovery	Treatment
			on account of such Allowed General Unsecured Claims.
4	Intercompany Claims	Reinstated	On or after the Effective Date, each Intercompany Claim shall be Reinstated, subject to the rights of Holders of General Unsecured Claims in Class 3 under the Plan (including the Global Settlement) and the CCAA Approval Order, and any Cash or Assets of the U.S. Debtors that are required to be distributed pursuant to the Plan (including the Retained Causes of Action and Liquidation Trust Expense Reserve) shall be transferred by the U.S. Debtors to the Reorganized Parent Debtor in satisfaction of the same amount of such applicable Intercompany Claims, and any other Intercompany Claims shall receive such additional or different treatment as will be set forth in the Plan Supplement.
5	Intercompany Equity Interests	Reinstated	On the Effective Date, the Holders of Class 5 Intercompany Equity Interests in each Subsidiary Debtor shall receive such treatment as set forth in the Plan Supplement, subject to the rights of Holders of General Unsecured Claims in Class 3 under the Plan (including the Global Settlement) and the CCAA Approval Order.

INJUNCTION, RELEASES AND EXCULPATION

The Plan contains certain injunction, release, and exculpation provisions in Article X of the Plan, set forth below. Parties are encouraged to review the Plan, including Article X of the Plan, in its entirety.

A. Certain Releases by the Debtors

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, AS OF THE EFFECTIVE DATE, AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, FOR GOOD AND VALUABLE

CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, THE DEBTOR RELEASEES ARE DEEMED RELEASED AND DISCHARGED BY THE LIQUIDATION TRUST, THE DEBTORS AND THE ESTATES, FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, REMEDIES, CAUSES OF ACTION, RIGHTS OF SETOFF, OTHER RIGHTS, AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR THAT COULD BE ASSERTED DIRECTLY OR INDIRECTLY ON BEHALF OF THE LIQUIDATION TRUST, THE DEBTORS, OR THE ESTATES, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, AND ANY AND ALL CAUSES OF ACTION ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED ON BEHALF OF THE LIQUIDATION TRUST, THE DEBTORS, OR THE ESTATES (WHETHER INDIVIDUALLY OR COLLECTIVELY) BASED ON, RELATING TO OR ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE ESTATES OR THE DEBTORS' SUBSIDIARIES, THE CONDUCT OF THE DEBTORS' BUSINESSES, THE OUT-OF-COURT EFFORTS TO RESTRUCTURE OR LIQUIDATE THE DEBTORS, THE FILING AND PROSECUTION OF THE CHAPTER 11 CASES OR THE CCAA PROCEEDINGS, THE PREPETITION CONTRACTS AND AGREEMENTS WITH ANY DEBTOR OR ANY ESTATE, ALL TO THE EXTENT SUCH ACTS OR OCCURRENCE TOOK PLACE PRIOR TO THE PETITION DATE (COLLECTIVELY, THE "RELEASED LIABILITIES"); PROVIDED, HOWEVER, THAT AS TO ANY EMPLOYEES OF THE DEBTORS WHO ARE INSURED PERSONS (SUCH EMPLOYEES, "INSURED EMPLOYEES"), THE DEBTORS, THE ESTATES AND THE LIQUIDATION TRUST, AS APPLICABLE, SHALL BE PERMITTED TO PURSUE THE INSURED EMPLOYEES FOR ANY RELEASED LIABILITIES (THE "PERMITTED ACTIONS") SO LONG AS ALL RECOURSE FOR THE PERMITTED ACTIONS AGAINST SUCH INSURED EMPLOYEES SHALL BE LIMITED IN ALL RESPECTS TO APPLICABLE INSURANCE PROCEEDS ACTUALLY AVAILABLE AND THE INSURED EMPLOYEES SHALL HAVE NO PERSONAL LIABILITY RELATED TO ANY PERMITTED ACTIONS. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, AN INSURED EMPLOYEE SHALL RECEIVE THE BENEFIT OF THE RELEASE PROVISIONS CONTAINED IN THIS ARTICLE X.A OF THE PLAN ONLY IF, PRIOR TO THE EFFECTIVE DATE, THE DEBTORS HAVE OBTAINED THE CONSENT OF THE [D&O INSURERS], IN FORM AND SUBSTANCE ACCEPTABLE TO THE EQUITY COMMITTEE IN ITS DISCRETION, CONFIRMING THAT THE RIGHTS OF THE DEBTORS, THE ESTATES AND THE LIQUIDATION TRUST TO PURSUE ALL APPLICABLE INSURANCE POLICIES ON ACCOUNT OF THE PERMITTED ACTIONS AND OBTAIN RECOVERIES THEREUNDER IN RESPECT TO THE PERMITTED ACTIONS SHALL NOT BE AFFECTED, IMPAIRED, OR COMPROMISED IN ANY WAY BY THE RELEASES OF THE DEBTOR RELEASEES OR ANY OTHER INSURED EMPLOYEE GRANTED IN THIS ARTICLE X.A. TO THE EXTENT SUCH CONSENT HAS NOT BEEN OBTAINED FROM THE [D&O INSURERS] PRIOR TO THE EFFECTIVE DATE, THE RELEASES GRANTED IN THIS ARTICLE X.A TO ANY INSURED EMPLOYEE SHALL BE NULL AND VOID.

FOR THE AVOIDANCE OF DOUBT, EXCEPT TO THE EXTENT EXPRESSLY PROVIDED UNDER THIS PLAN IN RESPECT TO THE DEBTOR RELEASEES, NO RELEASE IS BEING GRANTED TO ANY PERSON OR ENTITY UNDER THIS PLAN.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE RELEASES SET FORTH IN THIS ARTICLE X.A, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT SUCH RELEASE IS: (A) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE DEBTOR RELEASEES; (B) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THIS ARTICLE X.A; (C) IN THE BEST INTERESTS OF THE DEBTORS AND THEIR ESTATES; (D) FAIR, EQUITABLE, AND REASONABLE; (E) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (F) A BAR TO ANY PERSON ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED BY THIS ARTICLE X.A.

B. Certain Releases by Holders of Claims

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, AS OF THE EFFECTIVE DATE, THE THIRD-PARTY RELEASEES SHALL BE DEEMED TO HAVE BEEN CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED BY THE RELEASING PARTIES FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, REMEDIES, CAUSES OF ACTION, RIGHTS OF SETOFF, OTHER RIGHTS, AND LIABILITIES WHATSOEVER, WHETHER FOR TORT, CONTRACT, VIOLATIONS OF FEDERAL, PROVINCIAL OR STATE SECURITIES LAWS, AVOIDANCE ACTIONS, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED DIRECTLY OR INDIRECTLY ON BEHALF OF THE RELEASING PARTIES OR THEIR AFFILIATES, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, AND ANY AND ALL CAUSES OF ACTION ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED ON BEHALF OF THE RELEASING PARTIES OR THEIR AFFILIATES (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM, BASED ON OR IN ANY WAY RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE LIQUIDATION TRUST, THE DEBTORS, THE DEBTORS' ESTATES OR THE DEBTORS' SUBSIDIARIES, THE CONDUCT OF THE DEBTORS' BUSINESSES, THE IN-COURT OR OUT-OF-COURT EFFORTS TO RESTRUCTURE OR LIQUIDATE THE DEBTORS, THE FORMULATION, PREPARATION, SOLICITATION, DISSEMINATION, NEGOTIATION, OR FILING OF THE DISCLOSURE STATEMENT OR THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), OR ANY CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED

INTO IN CONNECTION WITH OR PURSUANT TO THE DISCLOSURE STATEMENT, THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), THE FILING AND PROSECUTION OF THE CHAPTER 11 CASES OR THE CCAA PROCEEDINGS, THE PURSUIT OF CONFIRMATION, THE PURSUIT OF CONSUMMATION, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM THAT IS TREATED IN THIS PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE LIQUIDATION TRUST, THE DEBTORS, THE DEBTORS' ESTATES OR THE DEBTORS' SUBSIDIARIES, ON THE ONE HAND, AND ANY RELEASING PARTIES, ON THE OTHER HAND, PREPETITION CONTRACTS AND AGREEMENTS WITH ANY DEBTOR, OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE BEFORE THE EFFECTIVE DATE.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE RELEASES SET FORTH IN THIS ARTICLE X.B, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT SUCH RELEASE IS: (A) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE THIRD-PARTY RELEASEES; (B) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THIS ARTICLE X.B; (C) IN THE BEST INTERESTS OF THE DEBTORS AND THEIR ESTATES; (D) FAIR, EQUITABLE, AND REASONABLE; (E) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (F) A BAR TO ANY PERSON ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED BY THIS ARTICLE X.B.

C. Exculpation

EFFECTIVE AS OF THE EFFECTIVE DATE, NONE OF THE EXCULPATED PARTIES SHALL HAVE OR INCUR ANY LIABILITY TO ANY HOLDER OF ANY CLAIM OR EQUITY INTEREST, THE DEBTORS' ESTATES OR ANY SUCCESSOR THERETO, OR ANY OTHER PARTY (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, INCLUDING THE FORMULATION, NEGOTIATION AND EXECUTION OF THE PURCHASE AGREEMENT, THE SALE OF THE DEBTORS' ASSETS PURSUANT TO THE PURCHASE AGREEMENT, OBTAINING DEBTOR-IN-POSSESSION FINANCING IN CONNECTION WITH THE CHAPTER 11 CASES AND THE CCAA PROCEEDINGS, THE FORMULATION, NEGOTIATION AND EXECUTION OF THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), THE DISCLOSURE STATEMENT, THE SOLICITATION OF VOTES FOR AND THE PURSUIT OF CONFIRMATION OF THIS PLAN, THE CONSUMMATION OF THIS PLAN, OR THE ADMINISTRATION OF THIS PLAN, AND THE PROPERTY TO BE DISTRIBUTED UNDER THIS PLAN, INCLUDING ALL DOCUMENTS ANCILLARY

THERETO, ALL DECISIONS, ACTIONS, INACTIONS AND ALLEGED NEGLIGENCE OR MISCONDUCT RELATING THERETO AND ALL POSTPETITION ACTIVITIES LEADING TO THE PROMULGATION AND CONFIRMATION OF THIS PLAN (INCLUDING ANY OTHER POST-PETITION ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH OR IN CONTEMPLATION OF THE RESTRUCTURING OR LIQUIDATION OF THE DEBTORS), EXCEPT IN CASE OF FRAUD, WILLFUL MISCONDUCT, OR GROSS NEGLIGENCE BY SUCH EXCULPATED PARTY AS DETERMINED BY A FINAL ORDER OF THE BANKRUPTCY COURT OR THE CANADIAN COURT. EFFECTIVE AS OF THE EFFECTIVE DATE, NO PERSON (INCLUDING THE LIQUIDATION TRUSTEE) SHALL HAVE ANY RIGHT OF ACTION, EITHER DIRECT OR DERIVATIVE OF THE ESTATES, AGAINST THE EXCULPATED PARTIES FOR ANY EXCULPATED ACTIONS, PROVIDED, HOWEVER, THAT NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS PLAN, THE EXCULPATION OF THE DEBTORS' DIRECTORS ARE SUBJECT TO SECTION 5.1(2) OF THE CCAA.

D. Injunction

UPON THE OCCURRENCE OF THE EFFECTIVE DATE, ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS AND OTHER PARTIES IN INTEREST, ALONG WITH THEIR RESPECTIVE PRESENT OR FORMER AFFILIATES, EMPLOYEES, AGENTS, ATTORNEYS, ADVISORS, OFFICERS, DIRECTORS, PARTNERS OR PRINCIPALS, TO THE EXTENT CONSISTENT WITH THIS PLAN, SHALL BE ENJOINED FROM TAKING ANY ACTIONS TO INTERFERE WITH THE IMPLEMENTATION OF THIS PLAN, AND ARE PERMANENTLY ENJOINED AND FOREVER BARRED FROM TAKING ANY ACTION AGAINST THE EXCULPATED PARTIES, DEBTOR RELEASEES OR THIRD-PARTY RELEASEES, AND THEIR RESPECTIVE ASSETS, THAT IS INCONSISTENT WITH THE TERMS OF THIS PLAN, INCLUDING AN INJUNCTION FROM (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY CLAIMS OR EQUITY INTERESTS; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS; (C) CREATING, PERFECTING, OR ENFORCING ANY ENCUMBRANCE OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS; (D) ASSERTING ANY RIGHT OF SETOFF, SUBROGATION, OR RECOUPMENT OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS; AND (E) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS RELEASED, EXCULPATED, SETTLED OR OTHERWISE ADDRESSED PURSUANT TO THIS PLAN, EXCEPT ON TERMS CONSISTENT WITH THIS PLAN.

DEEMED ACCEPTANCE OF THIRD-PARTY RELEASES

IF YOU ARE DEEMED TO ACCEPT THE PLAN, YOU HAVE THE OPTION TO OPT-OUT OF THE THIRD-PARTY RELEASES PROVIDED IN ARTICLE X.B OF THE PLAN, PROVIDED TO YOU CHECK THE APPROPRIATE BOX ON THE OPT-OUT ELECTION BALLOT IN EXHIBIT A TO THIS NOTICE (THE "OPT-OUT ELECTION BALLOT").

To request a copy of the Plan, Disclosure Statement, or Disclosure Statement Order, contact the Debtors' Claims and Solicitation Agent, Prime Clerk LLC, electronically by submitting an inquiry via psgballots@primeclerk.com or in writing to PSG Ballot Processing, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022, by telephone at (855) 631-5352. Please be advised that the Claims and Solicitation Agent cannot provide legal, business, financial or tax advice. Copies of the Plan, Disclosure Statement, Disclosure Statement Order, and other materials are available online for free at https://cases.primeclerk.com/PSG/. Alternatively, these documents may be accessed for a fee through the Bankruptcy Court's "pacer" website, www.deb.uscourts.gov. A pacer password and login are needed to access documents on the court's "pacer" website. A pacer password can be obtained at **http://www.pacer.gov.** Electronic copies of the Plan and Disclosure Statement may also be obtained by visiting the Monitor's website at www.ey.com/ca/psg and will be available following the Confirmation Hearing on SEDAR at www.sedar.com and on the SEC's website at www.sec.gov.

Dated: _________, 2017
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

____
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-and-

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Co-Counsel to the Debtors and Debtors in Possession

Exhibit A

Opt-Out Election Form for Non-Voting Holders of Unimpaired Claims

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
OLD BPSUSH INC., *et al.*,[1]	)	Case No. 16-12373 (KJC)
Debtors.	)	(Jointly Administered)
	)	**Election Deadline: November 13, 2017 at 5:00 p.m. (ET)** **Confirmation Objection Deadline: November 13, 2017 at 4:00 p.m. (ET)** **Confirmation Hearing Date: November 21, 2017 at 11:00 a.m. (ET)**

ELECTION FOR ALL HOLDERS OF CLAIMS IN PARENT DEBTOR PLAN CLASSES P1, P2, P3 AND P6; AND SUBSIDIARY DEBTOR PLAN 1 AND 2 TO OPT OUT OF THE RELEASES CONTAINED IN ARTICLE X.B OF THE JOINT CHAPTER 11 PLAN OF LIQUIDATION OF OLD BPSUSH INC. AND ITS AFFILIATED DEBTORS UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

PLEASE READ CAREFULLY AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING THIS ELECTION.

IN ORDER FOR YOUR ELECTION TO BE HONORED, THIS FORM MUST BE COMPLETED, EXECUTED AND RETURNED SO AS TO BE ACTUALLY RECEIVED BY THE CLAIMS AND SOLICITATION AGENT BY 5:00 P.M. (ET) ON NOVEMBER 13, 2017 (THE "ELECTION DEADLINE").

On [__________], 2017, the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") entered an order (the "Disclosure Statement Order"), which approved the *Disclosure Statement with Respect to Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ___] (as it may be amended, supplemented or modified from time to time, the

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively) (1514). The Debtors' mailing address is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

"Disclosure Statement") with respect to the *Joint Chapter 11 Plan of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ___] (as it may be amended, supplemented or modified from time to time pursuant to the terms thereof, the "Plan")[2] submitted by the above-captioned debtors and debtors in possession (the "Debtors"). Please use this election form (the "Election Form") to record your decision to opt out of the third-party releases contained in Article X.B of the Plan, which is proposed by the Debtors in the above-captioned chapter 11 cases (the "Chapter 11 Cases"). The Plan is attached as "Exhibit [__]" to the Disclosure Statement. If you have any questions regarding the proper completion of this Election, please call Prime Clerk LLC (the "Claims and Solicitation Agent") at (855) 631-5352.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you make an election. You should seek your own legal, business, financial or tax advice concerning the Plan and your treatment thereunder.

If you do not have a copy of the Disclosure Statement or Plan, you may obtain a copy free of charge on the dedicated webpage of the Claims and Solicitation Agent at https://cases.primeclerk.com/PSG/. Copies of the Disclosure Statement and Plan are also available: (a) for a fee, on the Bankruptcy Court's website, www.deb.uscourts.gov (a PACER account is required); (b) upon written request to the Claims and Solicitation Agent at PSG Ballot Processing, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022, by telephone at (855) 631-5352, or (c) by contacting the Claims and Solicitation Agent electronically by submitting an inquiry via psgballots@primeclerk.com. Electronic copies of the Plan and Disclosure Statement may also be obtained by visiting the Monitor's website at www.ey.com/ca/psg and will be available following the Confirmation Hearing on SEDAR at www.sedar.com and on the SEC's website at www.sec.gov.

IMPORTANT INFORMATION REGARDING THE RELEASES

Following confirmation, subject to certain conditions set forth in the Plan, the Plan will be substantially consummated on the Effective Date. Subject to the occurrence of the Effective Date, certain release, injunction, and exculpation provisions set forth in Article X of the Plan will become effective, including certain third-party releases in Article X.B of the Plan.

Specifically, the third-party releases in Article X.B of the Plan (the "Releases") bind the "Releasing Parties," which the Plan defines as "each Holder of a Claim that (i) affirmatively votes to accept this Plan; (ii) is Unimpaired pursuant to this Plan and therefore is deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code; or (iii) rejects this Plan or abstains from voting on this Plan and that does not mark its Ballot indicating its desire to opt out of the releases provided in Article X.B of this Plan. For the avoidance of doubt, 'Releasing Party' shall not include Holders of Parent Equity Interests, or Holders of Claims that either: (a) are deemed to reject this Plan pursuant to section 1126(g) of the Bankruptcy Code; (b) are entitled to vote on this Plan and opt out of granting the releases provided in Article X.B of this Plan by checking the appropriate box on the Ballot; or (c) are deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code and opt out of granting the releases provided in Article X.B of this Plan by checking the appropriate box on the Opt-Out Notice."

In determining how to cast your vote on the Plan, it is important to read the provisions contained in Article X of the Plan very carefully so that you understand how confirmation and substantial consummation of the Plan—which effectuates such provisions—will affect you and any Claim(s) you may hold against the Released Parties under the Plan. The Releases in Article X.B of the Plan provide as follows:

[2] All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement or the Plan, as applicable.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, AS OF THE EFFECTIVE DATE, THE THIRD-PARTY RELEASEES SHALL BE DEEMED TO HAVE BEEN CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED BY THE RELEASING PARTIES FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, REMEDIES, CAUSES OF ACTION, RIGHTS OF SETOFF, OTHER RIGHTS, AND LIABILITIES WHATSOEVER, WHETHER FOR TORT, CONTRACT, VIOLATIONS OF FEDERAL, PROVINCIAL OR STATE SECURITIES LAWS, AVOIDANCE ACTIONS, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED DIRECTLY OR INDIRECTLY ON BEHALF OF THE RELEASING PARTIES OR THEIR AFFILIATES, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, AND ANY AND ALL CAUSES OF ACTION ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED ON BEHALF OF THE RELEASING PARTIES OR THEIR AFFILIATES (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM, BASED ON OR IN ANY WAY RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE LIQUIDATION TRUST, THE DEBTORS, THE DEBTORS' ESTATES OR THE DEBTORS' SUBSIDIARIES, THE CONDUCT OF THE DEBTORS' BUSINESSES, THE IN-COURT OR OUT-OF-COURT EFFORTS TO RESTRUCTURE OR LIQUIDATE THE DEBTORS, THE FORMULATION, PREPARATION, SOLICITATION, DISSEMINATION, NEGOTIATION, OR FILING OF THE DISCLOSURE STATEMENT OR THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), OR ANY CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH OR PURSUANT TO THE DISCLOSURE STATEMENT, THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), THE FILING AND PROSECUTION OF THE CHAPTER 11 CASES OR THE CCAA PROCEEDINGS, THE PURSUIT OF CONFIRMATION, THE PURSUIT OF CONSUMMATION, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM THAT IS TREATED IN THIS PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE LIQUIDATION TRUST, THE DEBTORS, THE DEBTORS' ESTATES OR THE DEBTORS' SUBSIDIARIES, ON THE ONE HAND, AND ANY RELEASING PARTIES, ON THE OTHER HAND, PREPETITION CONTRACTS AND AGREEMENTS WITH ANY DEBTOR, OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE BEFORE THE EFFECTIVE DATE.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE RELEASES SET FORTH IN THIS ARTICLE X.B, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT SUCH RELEASE IS: (A) IN EXCHANGE FOR THE GOOD

AND VALUABLE CONSIDERATION PROVIDED BY THE THIRD-PARTY RELEASEES; (B) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THIS ARTICLE X.B; (C) IN THE BEST INTERESTS OF THE DEBTORS AND THEIR ESTATES; (D) FAIR, EQUITABLE, AND REASONABLE; (E) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (F) A BAR TO ANY PERSON ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED BY THIS ARTICLE X.B.

PLEASE COMPLETE THE FOLLOWING ONLY IF YOU WISH TO OPT OUT OF THE RELEASES IN ARTICLE X.B OF THE PLAN:

Item 1. Releases.

YOU MAY OPT OUT OF THE RELEASES BY HOLDERS OF CLAIMS PROVIDED IN ARTICLE X.B OF THE PLAN BY CHECKING THE BOX BELOW AND IF YOU DO SO YOU WILL NOT BE BOUND BY THE RELEASES IN ARTICLE X.B OF THE PLAN. CHECK THE BOX BELOW IF YOU ELECT NOT TO GRANT THE RELEASES CONTAINED IN ARTICLE X.B OF THE PLAN. THE ELECTION TO WITHHOLD CONSENT TO GRANT SUCH RELEASES IS AT YOUR OPTION.

IF YOU ABSTAIN FROM RETURNING THIS ELECTION FORM OR YOU DO NOT CHECK THE BOX BELOW, YOU WILL BE BOUND BY THE RELEASES.

☐ **The Claimant elects NOT to grant (OPTS OUT of) the releases set forth in Article X.B of the Plan**.

Item 2. Certification. By signing this Election Form, the Claimant certifies that: (a) it is the Holder of a Claim in Parent Debtor Plan Classes P1, P2 or P3; or Subsidiary Debtor Plan 1 or 2; or (b) it has full power and authority to act on behalf of the Holder of the Claim identified below; and (c) it has received a copy of the Disclosure Statement, the Plan, and other solicitation materials.

Name of Claimant: ______________________________

Signature: ______________________________

Name (if different from that of the Claimant): ______________
____

Title: ______________________________

Address: ______________________________
____
____

Phone Number: ______________________________

Email: ______________________________

Dated: ______________________________

Please make sure you have provided all information requested in this Election Form. Please read and follow the instructions set forth in the attached Election Instructions carefully. Please complete, sign and date this Election Form and return it by mail, hand delivery, overnight courier or via the online balloting portal so that it is actually received by the Claims and Solicitation Agent by November 13, 2017 at 5:00 p.m. (ET).

ELECTION INSTRUCTIONS

1. To ensure that your election to opt out of the releases contained in Article X.B of the Plan is sufficient, you must: (i) complete your Election Form in accordance with these instructions; (ii) clearly indicate your decision to opt out of the releases contained in Article X.B of the Plan; (iii) review and complete Items 1 and 2 in accordance with the instructions therein; and (iv) clearly sign, date, and return an original of your Election Form to the address set forth on the enclosed pre-addressed envelope in accordance with paragraph (2) below. Your Election Form must be actually received on or prior to the Election Deadline.

2. Return of Election**: Your Election Form MUST be returned to the Claims and Solicitation Agent so as to be actually received by the Claims and Solicitation Agent on or prior to the Election Deadline, which is November 13, 2017, at 5:00 p.m. (ET).**

3. Return the completed Election Form to the Claims and Solicitation Agent in the pre-addressed, postage pre-paid return envelope enclosed with this Ballot or return it to:

PSG Ballot Processing
c/o Prime Clerk LLC
830 Third Avenue, 3rd Floor
New York, New York 10022

Alternatively, to submit your Election Form via the Claims and Solicitation Agent's online balloting portal, visit https://cases.primeclerk.com/psg. Click on the "Submit E-Ballot" section of the website and follow the instructions to submit your Election Form.

IMPORTANT NOTE: You will need the following information to retrieve and submit your electronic Election Form:

Unique E-Ballot ID#:____

The Claims and Solicitation Agent's online balloting portal is the sole manner in which Election Forms will be accepted via electronic or online transmission. Election Forms submitted by facsimile, email or other means of electronic transmission will not be counted.

Please complete and submit an electronic Election Form for each E-Ballot ID# you receive, as applicable. Holders who cast an Election Form using the Claims and Solicitation Agent's online portal should NOT also submit a paper Election Form.

4. Any Election Form that is illegible or that contains insufficient information to permit the identification of the Claimant will not be counted.

5. This Election Form does not constitute, and shall not be deemed to be, a Proof of Claim against any of the Debtors or an assertion or admission of a Claim by any of the Debtors.

6. Please be sure to sign and date your Election Form. If you are signing an Election Form in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity, you must indicate such capacity when signing and, if required or requested by the Claims and Solicitation Agent, the Debtors or the Bankruptcy Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Election Form.

7. **The Election is *not* a letter of transmittal and may *not* be used for any purpose other than to elect to opt out of the releases contained in Article X.B of the Plan.**

8. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS CONTAINED IN THE MATERIALS MAILED WITH THIS ELECTION FORM OR OTHER SOLICITATION MATERIALS APPROVED BY THE BANKRUPTCY COURT, INCLUDING, THE DISCLOSURE STATEMENT.

IF YOU HAVE ANY QUESTIONS REGARDING THIS ELECTION FORM OR THESE ELECTION INSTRUCTIONS, OR IF YOU NEED ADDITIONAL COPIES OF THE ELECTION FORM OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE CLAIMS AND SOLICITATION AGENT AT (855) 631-5352. THE CLAIMS AND SOLICITATION AGENT WILL NOT, AND IS NOT AUTHORIZED TO, PROVIDE LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE OF ANY KIND.

<u>Exhibit 5</u>

Publication Notice

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
OLD BPSUSH INC., *et al.*,[3]	)	Case No. 16-12373 (KJC)
Debtors.	)	(Jointly Administered)
	)	**Voting Deadline: November 13, 2017 at 5:00 p.m. (ET)** **Confirmation Objection Deadline: November 13, 2017 at 4:00 p.m. (ET)** **Confirmation Hearing Date: November 21, 2017 at 11:00 a.m. (ET)**

NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT; (II) DEADLINE FOR VOTING ON THE PLAN; (III) HEARING TO CONSIDER CONFIRMATION OF PLAN; AND (IV) DEADLINE FOR FILING OBJECTIONS TO CONFIRMATION OF PLAN

PLEASE TAKE NOTICE OF THE FOLLOWING:

APPROVAL OF DISCLOSURE STATEMENT

1. By order dated [______], 2017 (the "Disclosure Statement Order"), the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") approved the *Disclosure Statement with Respect to Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ___] (as it may be amended, supplemented or modified from time to time, the "Disclosure Statement") as containing adequate information within the meaning of section 1125 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq*. (the "Bankruptcy Code").

[3] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively) (1514). The Debtors' mailing address is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

CONFIRMATION HEARING

2. On November 21, 2017, at 11:00 a.m. (ET), or as soon thereafter as counsel may be heard, a joint hearing (the "Confirmation Hearing") will be held before the Honorable Kevin J. Carey, United States Bankruptcy Judge, in Courtroom No.5, 5th Floor at the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, Wilmington, Delaware 19801, to consider confirmation of the *Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ____] (as it may be amended, supplemented or modified from time to time pursuant to the terms thereof, the "Plan") and before the Honourable Justice Hainey on the 8th Floor, Ontario Superior Court of Justice (Commercial List) (the "Canadian Court"), 330 University Avenue, Toronto, Ontario M5G 1R7, with the Canadian Court considering issuance of an order (the "CCAA Approval Order") effectuating the Plan in the proceedings pending before the Canadian Court, as applicable.[4] The Confirmation Hearing may be adjourned or postponed, from time to time, without further notice to creditors, shareholders or other parties in interest other than by an announcement of such an adjournment or postponement in open court at the Confirmation Hearing. The Plan may be modified in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the terms of the Plan, and other applicable law, without further notice, prior to, or as a result of, the Confirmation Hearing.

ENTITLEMENT TO VOTE ON PLAN

3. In accordance with the terms of the Plan and the Bankruptcy Code, holders of Claims that are unimpaired by the Plan are deemed to have accepted the Plan and therefore are not entitled to vote on the Plan. Holders of Parent Equity Interests and holders of Claims against the Debtors that are impaired by the Plan and that will receive a distribution on account of such Claims are entitled to vote on the Plan.

4. October 3, 2017 has been established by the Bankruptcy Court as the record date (the "Voting Record Date") for determining the parties entitled to receive solicitation or notice materials in connection with the Plan and to vote on the Plan.

SUMMARY OF TREATMENT OF CLAIMS UNDER THE PLAN

5. The Plan proposes to modify the rights of certain Holders of Claims and Holders of Parent Equity Interests. Claims and Equity Interests are classified for all purposes, including voting, confirmation, and distribution pursuant to the Plan, as follows:

(a) Parent Debtor Plan: Claims Against and Equity Interests in Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd.).

[4] All capitalized terms used in this Notice but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement or the Plan, as applicable.

Class	Claim or Equity Interest	Estimated Recovery	Treatment
P1	Secured Claims	100%	On or as soon as practicable after the Effective Date, each Holder of a Class P1 Allowed Secured Claim, if any, shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Secured Claim: (a) the return of the Collateral securing such Allowed Secured Claim; (b) Cash equal to 100% of the amount of such Allowed Secured Claim and Post-Petition Interest required to be paid under section 506(b) of the Bankruptcy Code; (c) such other treatment as will render the Holder of such Allowed Secured Claim Unimpaired; or (d) such other treatment as to which the Holder of such Allowed Secured Claim has agreed to in writing.
P2	Priority Non-Tax Claims	100%	Unless the Holder agrees to a different treatment, on or as soon as practicable after the later of the Effective Date or the date a Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, each Holder of an Allowed Priority Non-Tax Claim shall receive Payment in Full in Cash with Post-Petition Interest, or such other treatment as will render the Allowed Priority Non-Tax Claim Unimpaired.
P3	SEC Claim	To Be Determined	To Be Determined
P4	General Unsecured Claims	100%	To the extent not already Paid in Full or otherwise satisfied prior to the Effective Date, on or as soon as practicable after the later of (i) the Effective Date or (ii) the date a General Unsecured Claim becomes an Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive Payment in Full in Cash of the Allowed amount of its Claim. For the avoidance of doubt, in accordance with the Global Settlement, Holders of Allowed General Unsecured Claims shall not receive Post-Petition Interest on account of such Allowed General Unsecured Claims.

Class	Claim or Equity Interest	Estimated Recovery	Treatment
P5	Intercompany Claims	Reinstated	On or after the Effective Date, each Intercompany Claim shall be Reinstated, subject to the rights of Holders of General Unsecured Claims in Class P4 under the Plan (including the Global Settlement) and the CCAA Approval Order, and any Cash or Assets of the U.S. Debtors that are required to be distributed pursuant to the Plan (including the Retained Causes of Action and Liquidation Trust Expense Reserve) shall be transferred by the U.S. Debtors to the Reorganized Parent Debtor in satisfaction of the same amount of such applicable Intercompany Claims, and Intercompany Claims shall receive such additional or different treatment as will be set forth in the Plan Supplement.
P6	Individual Securities Damages Claim	100%	To the extent that the Individual Securities Damages Claim is Allowed by a Final Order, as soon as reasonably practicable thereafter, the Distribution Agent shall pay such Allowed Claim in Cash and solely from and up to the amount of the Individual Securities Damages Claim Reserve, subject to the rights of Holders of General Unsecured Claims to the prior Payment in Full of such Holders' Allowed Claims under the Plan (including the Global Settlement). For the avoidance of doubt, the Individual Securities Damages Claim shall not receive any distribution on account of any Allowed Individual Securities Damages Claim in excess of the Individual Securities Damages Claim Reserve, and such Claim shall not be treated as a Parent Equity Interest notwithstanding section 510(b) of the Bankruptcy Code and the CCAA.
P7	Parent Equity Interests	Pro Rata share of Shareholder Distributable Assets, which is anticipated to be within a range of $___ to $___ per share	Holders of Parent Equity Interests will receive their Pro Rata share of the Shareholder Distributable Assets under, and subject to, the Plan (including the Global Settlement) and the CCAA Approval Order. The Plan allows Holders of Parent Equity Interests to elect to receive certain of such Plan consideration in the form of either Beneficial Trust Interests (and a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with the Plan) in exchange for their Parent Equity Interests, or to retain their Parent Equity Interests. Holders of Beneficial Trust Interests and Holders of Parent Equity Interests will receive distributions of equal amounts of Cash under the Plan per Parent Equity Interests on a Pro-Rata basis (other than differences attributable to the differing tax treatment

Class	Claim or Equity Interest	Estimated Recovery	Treatment
			of the Liquidation Trust and the Reorganized Parent Debtor that may consequently result in more or less favorable recoveries to Holders of Parent Equity Interests after consideration of the potentially differing rates and basis of taxation of the individual Holders). Article V.B.3 of the Plan further describes the distributions that will be made to Holders of Parent Equity Interests and Beneficial Trust Interests. The Plan provides two options for receiving Plan consideration to Holders of Allowed Parent Equity Interests, which are described in greater detail therein.

(d) Subsidiary Debtor Plans: Claims Against and Equity Interests in Subsidiary Debtors.

Class	Claim or Equity Interest	Estimated Percentage Recovery	Treatment
1	Secured Claims	100%	On or as soon as practicable after the Effective Date, each Holder of a Class 1 Allowed Secured Claim, if any, shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Secured Claim: (a) the return of the Collateral securing such Allowed Secured Claim; (b) Cash equal to 100% of the amount of such Allowed Secured Claim and Post-Petition Interest required to be paid under section 506(b) of the Bankruptcy Code; (c) such other treatment as will render the Holder of such Allowed Secured Claim Unimpaired; or (d) such other treatment as to which the Holder of such Allowed Secured Claim has agreed to in writing.
2	Priority Non-Tax Claims	100%	Unless the Holder agrees to a different treatment, on or as soon as practicable after the later of the Effective Date or the date a Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, each Holder of an Allowed Priority Non-Tax Claim shall receive Payment in Full in Cash with Post-Petition Interest, or such other treatment as will render the Allowed Priority Non-Tax Claim Unimpaired.
3	General Unsecured Claims	100%	To the extent not already Paid in Full or otherwise satisfied prior to the Effective Date, on or as soon as practicable after the later of (i) the Effective Date or (ii) the date a General Unsecured Claim becomes an Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive Payment in Full in Cash of the Allowed amount of its Claim. For the avoidance of doubt, Holders of Allowed General Unsecured Claims shall not receive Post-Petition Interest

Class	Claim or Equity Interest	Estimated Percentage Recovery	Treatment
			on account of such Allowed General Unsecured Claims.
4	Intercompany Claims	Reinstated	On or after the Effective Date, each Intercompany Claim shall be Reinstated, subject to the rights of Holders of General Unsecured Claims in Class 3 under the Plan (including the Global Settlement) and the CCAA Approval Order, and any Cash or Assets of the U.S. Debtors that are required to be distributed pursuant to the Plan (including the Retained Causes of Action and Liquidation Trust Expense Reserve) shall be transferred by the U.S. Debtors to the Reorganized Parent Debtor in satisfaction of the same amount of such applicable Intercompany Claims, and any other Intercompany Claims shall receive such additional or different treatment as will be set forth in the Plan Supplement.
5	Intercompany Equity Interests	Reinstated	On the Effective Date, the Holders of Class 5 Intercompany Equity Interests in each Subsidiary Debtor shall receive such treatment as set forth in the Plan Supplement, subject to the rights of Holders of General Unsecured Claims in Class 3 under the Plan (including the Global Settlement) and the CCAA Approval Order.

DEADLINE FOR VOTING ON THE PLAN

6. November 13, 2017 (ET) (the "Voting Deadline") is established as the deadline by which Ballots accepting or rejecting the Plan must be received. To be counted, an original duly completed Ballot must actually be received on or prior to the Voting Deadline by Prime Clerk, LLC (the "Claims and Solicitation Agent"). Ballots must be either (i) mailed to PSG Ballot Processing, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022, (ii) delivered by hand or overnight courier to PSG Ballot Processing, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022, during normal business hours, or (iii) submitted via the online balloting portal by visiting https://cases.primeclerk.com/PSG/, clicking

on "Submit E-Ballot" and following the instructions on the website. Except in the Debtors' discretion and as provided above, any Ballot transmitted to the Claims and Solicitation Agent by facsimile or other electronic means shall not be counted.

INJUNCTION, RELEASES AND EXCULPATION

7. The Plan contains certain injunction, release, and exculpation provisions in Article X of the Plan, set forth below. Parties are encouraged to review the Plan, including Article X of the Plan, in its entirety.

A. Certain Releases by the Debtors

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, AS OF THE EFFECTIVE DATE, AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, FOR GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, THE DEBTOR RELEASEES ARE DEEMED RELEASED AND DISCHARGED BY THE LIQUIDATION TRUST, THE DEBTORS AND THE ESTATES, FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, REMEDIES, CAUSES OF ACTION, RIGHTS OF SETOFF, OTHER RIGHTS, AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR THAT COULD BE ASSERTED DIRECTLY OR INDIRECTLY ON BEHALF OF THE LIQUIDATION TRUST, THE DEBTORS, OR THE ESTATES, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, AND ANY AND ALL CAUSES OF ACTION ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED ON BEHALF OF THE LIQUIDATION TRUST, THE DEBTORS, OR THE ESTATES (WHETHER INDIVIDUALLY OR COLLECTIVELY) BASED ON, RELATING TO OR ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE ESTATES OR THE DEBTORS' SUBSIDIARIES, THE CONDUCT OF THE DEBTORS' BUSINESSES, THE OUT-OF-COURT EFFORTS TO RESTRUCTURE OR LIQUIDATE THE DEBTORS, THE FILING AND PROSECUTION OF THE CHAPTER 11 CASES OR THE CCAA PROCEEDINGS, THE PREPETITION CONTRACTS AND AGREEMENTS WITH ANY DEBTOR OR ANY ESTATE, ALL TO THE EXTENT SUCH ACTS OR OCCURRENCE TOOK PLACE PRIOR TO THE PETITION DATE (COLLECTIVELY, THE "<u>RELEASED LIABILITIES</u>"); PROVIDED, HOWEVER, THAT AS TO ANY EMPLOYEES OF THE DEBTORS WHO ARE INSURED PERSONS (SUCH EMPLOYEES, "<u>INSURED EMPLOYEES</u>"), THE DEBTORS, THE ESTATES AND THE LIQUIDATION TRUST, AS APPLICABLE, SHALL BE PERMITTED TO PURSUE THE INSURED EMPLOYEES FOR ANY RELEASED LIABILITIES (THE "<u>PERMITTED ACTIONS</u>") SO LONG AS ALL RECOURSE FOR THE PERMITTED ACTIONS AGAINST SUCH INSURED EMPLOYEES SHALL BE LIMITED IN ALL RESPECTS TO APPLICABLE INSURANCE PROCEEDS ACTUALLY AVAILABLE AND THE INSURED EMPLOYEES SHALL HAVE NO PERSONAL LIABILITY RELATED TO ANY PERMITTED ACTIONS. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, AN INSURED EMPLOYEE SHALL RECEIVE THE BENEFIT OF THE RELEASE PROVISIONS CONTAINED IN THIS ARTICLE X.A OF THE PLAN ONLY IF, PRIOR TO THE EFFECTIVE DATE, THE DEBTORS HAVE OBTAINED THE CONSENT OF THE [D&O INSURERS], IN FORM AND SUBSTANCE ACCEPTABLE TO THE

EQUITY COMMITTEE IN ITS DISCRETION, CONFIRMING THAT THE RIGHTS OF THE DEBTORS, THE ESTATES AND THE LIQUIDATION TRUST TO PURSUE ALL APPLICABLE INSURANCE POLICIES ON ACCOUNT OF THE PERMITTED ACTIONS AND OBTAIN RECOVERIES THEREUNDER IN RESPECT TO THE PERMITTED ACTIONS SHALL NOT BE AFFECTED, IMPAIRED, OR COMPROMISED IN ANY WAY BY THE RELEASES OF THE DEBTOR RELEASEES OR ANY OTHER INSURED EMPLOYEE GRANTED IN THIS ARTICLE X.A. TO THE EXTENT SUCH CONSENT HAS NOT BEEN OBTAINED FROM THE [D&O INSURERS] PRIOR TO THE EFFECTIVE DATE, THE RELEASES GRANTED IN THIS ARTICLE X.A TO ANY INSURED EMPLOYEE SHALL BE NULL AND VOID. FOR THE AVOIDANCE OF DOUBT, EXCEPT TO THE EXTENT EXPRESSLY PROVIDED UNDER THIS PLAN IN RESPECT TO THE DEBTOR RELEASEES, NO RELEASE IS BEING GRANTED TO ANY PERSON OR ENTITY UNDER THIS PLAN.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE RELEASES SET FORTH IN THIS ARTICLE X.A, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT SUCH RELEASE IS: (A) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE DEBTOR RELEASEES; (B) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THIS ARTICLE X.A; (C) IN THE BEST INTERESTS OF THE DEBTORS AND THEIR ESTATES; (D) FAIR, EQUITABLE, AND REASONABLE; (E) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (F) A BAR TO ANY PERSON ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED BY THIS ARTICLE X.A.

B. Certain Releases by Holders of Claims

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, AS OF THE EFFECTIVE DATE, THE THIRD-PARTY RELEASEES SHALL BE DEEMED TO HAVE BEEN CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED BY THE RELEASING PARTIES FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, REMEDIES, CAUSES OF ACTION, RIGHTS OF SETOFF, OTHER RIGHTS, AND LIABILITIES WHATSOEVER, WHETHER FOR TORT, CONTRACT, VIOLATIONS OF FEDERAL, PROVINCIAL OR STATE SECURITIES LAWS, AVOIDANCE ACTIONS, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED DIRECTLY OR INDIRECTLY ON BEHALF OF THE RELEASING PARTIES OR THEIR AFFILIATES, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, AND ANY AND ALL CAUSES OF ACTION ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED ON BEHALF OF THE RELEASING PARTIES OR THEIR AFFILIATES

(WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM, BASED ON OR IN ANY WAY RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE LIQUIDATION TRUST, THE DEBTORS, THE DEBTORS' ESTATES OR THE DEBTORS' SUBSIDIARIES, THE CONDUCT OF THE DEBTORS' BUSINESSES, THE IN-COURT OR OUT-OF-COURT EFFORTS TO RESTRUCTURE OR LIQUIDATE THE DEBTORS, THE FORMULATION, PREPARATION, SOLICITATION, DISSEMINATION, NEGOTIATION, OR FILING OF THE DISCLOSURE STATEMENT OR THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), OR ANY CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH OR PURSUANT TO THE DISCLOSURE STATEMENT, THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), THE FILING AND PROSECUTION OF THE CHAPTER 11 CASES OR THE CCAA PROCEEDINGS, THE PURSUIT OF CONFIRMATION, THE PURSUIT OF CONSUMMATION, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM THAT IS TREATED IN THIS PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE LIQUIDATION TRUST, THE DEBTORS, THE DEBTORS' ESTATES OR THE DEBTORS' SUBSIDIARIES, ON THE ONE HAND, AND ANY RELEASING PARTIES, ON THE OTHER HAND, PREPETITION CONTRACTS AND AGREEMENTS WITH ANY DEBTOR, OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE BEFORE THE EFFECTIVE DATE.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE RELEASES SET FORTH IN THIS ARTICLE X.B, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT SUCH RELEASE IS: (A) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE THIRD-PARTY RELEASEES; (B) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THIS ARTICLE X.B; (C) IN THE BEST INTERESTS OF THE DEBTORS AND THEIR ESTATES; (D) FAIR, EQUITABLE, AND REASONABLE; (E) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (F) A BAR TO ANY PERSON ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED BY THIS ARTICLE X.B.

C. Exculpation

EFFECTIVE AS OF THE EFFECTIVE DATE, NONE OF THE EXCULPATED PARTIES SHALL HAVE OR INCUR ANY LIABILITY TO ANY HOLDER OF ANY CLAIM OR EQUITY INTEREST, THE DEBTORS' ESTATES OR ANY SUCCESSOR THERETO, OR ANY OTHER PARTY (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, INCLUDING THE FORMULATION, NEGOTIATION AND EXECUTION OF THE PURCHASE AGREEMENT, THE SALE OF THE DEBTORS' ASSETS PURSUANT TO THE PURCHASE AGREEMENT, OBTAINING DEBTOR-IN-POSSESSION FINANCING IN CONNECTION WITH THE CHAPTER 11 CASES AND THE CCAA PROCEEDINGS, THE FORMULATION, NEGOTIATION AND EXECUTION OF THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), THE DISCLOSURE STATEMENT, THE SOLICITATION OF VOTES FOR AND THE PURSUIT OF CONFIRMATION OF THIS PLAN, THE CONSUMMATION OF THIS PLAN, OR THE ADMINISTRATION OF THIS PLAN, AND THE PROPERTY TO BE DISTRIBUTED UNDER THIS PLAN, INCLUDING ALL DOCUMENTS ANCILLARY THERETO, ALL DECISIONS, ACTIONS, INACTIONS AND ALLEGED NEGLIGENCE OR MISCONDUCT RELATING THERETO AND ALL POSTPETITION ACTIVITIES LEADING TO THE PROMULGATION AND CONFIRMATION OF THIS PLAN (INCLUDING ANY OTHER POST-PETITION ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH OR IN CONTEMPLATION OF THE RESTRUCTURING OR LIQUIDATION OF THE DEBTORS), EXCEPT IN CASE OF FRAUD, WILLFUL MISCONDUCT, OR GROSS NEGLIGENCE BY SUCH EXCULPATED PARTY AS DETERMINED BY A FINAL ORDER OF THE BANKRUPTCY COURT OR THE CANADIAN COURT. EFFECTIVE AS OF THE EFFECTIVE DATE, NO PERSON (INCLUDING THE LIQUIDATION TRUSTEE) SHALL HAVE ANY RIGHT OF ACTION, EITHER DIRECT OR DERIVATIVE OF THE ESTATES, AGAINST THE EXCULPATED PARTIES FOR ANY EXCULPATED ACTIONS, PROVIDED, HOWEVER, THAT NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS PLAN, THE EXCULPATION OF THE DEBTORS' DIRECTORS ARE SUBJECT TO SECTION 5.1(2) OF THE CCAA.

D. Injunction

UPON THE OCCURRENCE OF THE EFFECTIVE DATE, ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS AND OTHER PARTIES IN INTEREST, ALONG WITH THEIR RESPECTIVE PRESENT OR FORMER AFFILIATES, EMPLOYEES, AGENTS, ATTORNEYS, ADVISORS, OFFICERS, DIRECTORS, PARTNERS OR PRINCIPALS, TO THE EXTENT CONSISTENT WITH THIS PLAN, SHALL BE ENJOINED FROM TAKING ANY ACTIONS TO INTERFERE WITH THE IMPLEMENTATION OF THIS PLAN, AND ARE PERMANENTLY ENJOINED AND FOREVER BARRED FROM TAKING ANY ACTION AGAINST THE EXCULPATED PARTIES, DEBTOR RELEASEES OR THIRD-PARTY RELEASEES, AND THEIR RESPECTIVE ASSETS, THAT IS INCONSISTENT WITH THE TERMS OF THIS PLAN, INCLUDING AN INJUNCTION FROM (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY CLAIMS OR EQUITY INTERESTS; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS; (C) CREATING, PERFECTING, OR ENFORCING ANY ENCUMBRANCE OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH

CLAIMS OR EQUITY INTERESTS; (D) ASSERTING ANY RIGHT OF SETOFF, SUBROGATION, OR RECOUPMENT OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS; AND (E) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS RELEASED, EXCULPATED, SETTLED OR OTHERWISE ADDRESSED PURSUANT TO THIS PLAN, EXCEPT ON TERMS CONSISTENT WITH THIS PLAN.

DEADLINE FOR OBJECTIONS TO THE PLAN

8. Objections to confirmation of, or proposed modifications to, the Plan, if any, must (i) be in writing; (ii) state the name and address of the objecting party; (iii) state the amount (if applicable) and nature of the Claim of, or number of Parent Equity Interests held by, such party; (iv) state with particularity the basis and nature of any objection to the Disclosure Statement and/or Plan and proposed modifications to the Plan that would resolve such objection; and (v) be filed, together with proof of service, with the Bankruptcy Court and served so that they are received no later than November 13, 2017 at 4:00 p.m. (ET) (the "Confirmation Objection Deadline") by the following parties: (i) co-counsel to the Debtors, (1) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas New York, New York 10019 (Attn: Kelley A. Cornish and Alice Belisle Eaton), and (2) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801 (Attn: Pauline K. Morgan, Sean T. Greecher, and Justin H. Rucki); (ii) counsel to the Equity Committee, (1) Brown Rudnick LLP, Seven Times Square, New York, New York 10036 (Attn: Robert J. Stark and Andrew M. Carty), (2) Brown Rudnick LLP, One Financial Center, Boston, MA 02111 (Attn: Steven B. Levine), and (3) Montgomery McCracken Walker & Rhoads LLP, 1105 North Market Street, 15th Floor, Wilmington, Delaware 19801 (Attn: Mark A. Fink); and (iii) counsel to the Creditors' Committee, (1) Blank Rome LLP, 1201 Market Street, Suite 800, Wilmington, Delaware 19801 (Attn: Stanley B. Tarr and Josef W. Mintz), and (2) Blank Rome LLP, The Chrysler Building, 405 Lexington Avenue, New York, New York 10174 (Attn: Michael B. Schaedle); (iv) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Mark S. Kenney); and (v) counsel to the Monitor, Thornton Grout Finnigan LLP, 100 Wellington Street West, Suite 3200, Toronto, Ontario M5K 1K7 (Attn: Robert Thornton and Rachel Bengino). Objections that are not timely filed and served in the manner set forth above may not be considered by the Bankruptcy Court.

COPIES OF THE PLAN AND DISCLOSURE STATEMENT

9. Copies of the Disclosure Statement and the Plan are available for inspection during regular business hours, Monday through Friday 8:00 a.m. to 4:00 p.m., excluding federal holidays, at the office of the clerk of the Bankruptcy Court, 3rd Floor, 824 North Market Street, Wilmington, Delaware 19801. In addition, copies of the Plan and Disclosure Statement may be obtained by visiting the website maintained by the Debtors' Claims and Solicitation Agent in the Chapter 11 Cases, https://cases.primeclerk.com/PSG/; by contacting the Debtors' Claims and Solicitation Agent, Prime Clerk, LLC, via telephone at (855) 631-5352 or via email at psgballots@primeclerk.com; or from the Bankruptcy Court's website, www.deb.uscourts.gov, for a fee. A PACER login and password are required to access

documents on the Bankruptcy Court's website and these can be obtained through the PACER Service Center at www.pacer.psc.uscourts.gov. Electronic copies of the Plan and Disclosure Statement may also be obtained by visiting the Monitor's website at www.ey.com/ca/psg and will be available following the Confirmation Hearing on SEDAR at www.sedar.com and on the SEC's website at www.sec.gov.

Dated: _________, 2017
Wilmington, Delaware

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 OLD PSG WIND-DOWN LTD. ET. AL.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

AFFIDAVIT OF KEISHA LACKPATIAH-SEALY
(SWORN SEPTEMBER 21, 2017)

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Lawyers for the Applicants

6780834 v1

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	**)**	WEDNESDAY, THE 27th
	)	
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)

ORDER
(Re: Directions on Joint Plan and Stay Extension)

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 directions in respect of the joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and its affiliated debtors (as amended, restated, supplemented or otherwise modified, the "**Joint Plan**") filed in the U.S. Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") and as may be further amended, restated, supplemented or otherwise modified from time to time and extending the stay of proceedings to December 15, 2017 and certain other relief was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Keisha Lackpatiah-Sealy sworn September 21, 2017, and the Eleventh Report of Ernst & Young Inc. dated ●, 2017 in its capacity as Monitor of the

Applicants (the "**Monitor**") and on hearing the submissions of counsel for the Applicants, the Monitor, the Creditors' Committee and the Equity Committee and those other parties present, no one appearing for any other party although duly served as appears from the affidavit of service of ●, filed.

SERVICE

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

DEFINITIONS

2. **THIS COURT ORDERS** that the capitalized terms used in this Order but not otherwise defined herein shall have the respective meanings ascribed to them in the Joint Plan.

STAY EXTENSION

3. **THIS COURT ORDERS** that the Stay Period referred to in the Initial Order of the Honourable Mr. Justice Newbould dated October 31, 2016, as amended and restated, is extended until December 15, 2017.

JOINT PLAN

4. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to solicit votes from Holders of General Unsecured Claims and Parent Equity Interests and other persons who may be determined by the Bankruptcy Court to be eligible to vote on the Joint Plan in accordance with procedures, as and if, established by the Bankruptcy Court in the Chapter 11 Cases (the "**Solicitation Procedures**") and distribute the Disclosure Statement, Ballots and other materials in the solicitation package (collectively, the "**Solicitation Materials**"), as and if, approved by the Bankruptcy Court to Holders of General Unsecured Claims, Parent Equity Interests and other persons who may be determined by the Bankruptcy Court to be eligible to vote on the Joint Plan.

5. **THIS COURT ORDERS** that PSG shall not be required to hold any meeting of its shareholders to consider the Joint Plan or vote on the Joint Plan and the Solicitation Procedures and Solicitation Materials shall be sufficient for purposes of compliance with applicable Canadian securities law and corporate law under the British Columbia *Business Corporations Act* (the "**BCBCA**"), including with respect to the solicitation of votes on the Joint Plan and the dissemination and filing of the Solicitation Materials.

6. **THIS COURT ORDERS** that the Applicants shall not be required to file a plan of compromise or arrangement under the CCAA or the BCBCA to make the Joint Plan effective in Canada, including the distributions, transactions, payments, releases, injunctions, exculpations and other actions contemplated by or described in the Joint Plan, pending this Canadian Court considering the CCAA Approval Order and the Bankruptcy Court considering the Confirmation Order, which shall be considered jointly on a *de novo* basis at the CCAA Approval Order Hearing and the Confirmation Hearing, respectively.

CCAA APPROVAL ORDER

7. **THIS COURT ORDERS** that the CCAA Approval Order Hearing is scheduled for November 21, 2017 at 11:00 a.m. and that the CCAA Approval Order Hearing shall be a joint hearing with the Confirmation Hearing before the Bankruptcy Court, provided that the CCAA Approval Order Hearing may be adjourned or postponed from time to time by the Canadian Court or the Applicants, in consultation with the Monitor, the Equity Committee and the Creditors' Committee.

8. **THIS COURT ORDERS** that the publication notice of the CCAA Approval Order Hearing, in a form substantially similar to the notice attached hereto as Schedule "A" (the "**Publication Notice**"), is hereby approved and the Applicants and/or the Monitor are directed to publish or cause to be published the Publication Notice in *La Presse*, the *Globe and Mail, USA Today* and the *Wall Street Journal* in each instance on or before October 13, 2017 or such later date that is the earliest reasonably practicable publication date following approval of the Publication Notice by the Bankruptcy Court and the Publication Notice shall constitute sufficient notice of the CCAA Approval Order Hearing for parties not otherwise served with the Applicants' Motion Record.

9. **THIS COURT ORDERS** that the following timetable for the Applicants' motion to obtain the CCAA Approval Order is hereby approved:

(a) Service of the Applicants' Motion Record: November 3, 2017 at 5:00 p.m.

(b) Service of responding material from any person, except the Monitor, supporting the Joint Plan and/or CCAA Approval Order: November 8, 2017 at 5:00 p.m.

(c) Service of responding material from any person objecting to the Joint Plan and/or CCAA Approval Order: November 13, 2017 at 5:00 p.m.

(d) Service of the Monitor's report in connection with the Joint Plan and CCAA Approval Order: November 15, 2017 at 5:00 p.m.

(e) Service of facta of the Applicants and any other person supporting the Joint Plan and/or CCAA Approval Order: November 16, 2017 at 5:00 p.m.

(f) Service of facta of any person objecting to the Joint Plan and/or CCAA Approval Order: November 20, 2017 at 12:00 p.m.

Notwithstanding the above timetable, the deadlines noted above may be extended with the consent of the Applicants and the Monitor or further Order of the Court and the Applicants shall be permitted to file supplementary material at any time before the CCAA Approval Order Hearing to report on the results of the vote on the Joint Plan.

GENERAL

10. **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.

Schedule "A" – Publication Notice

[Attached]

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
OLD BPSUSH INC., *et al.*,[1]	)	Case No. 16-12373 (KJC)
Debtors.	)	(Jointly Administered)
	)	**Voting Deadline: November 13, 2017 at 5:00 p.m. (ET)** **Confirmation Objection Deadline: November 13, 2017 at 4:00 p.m. (ET)** **Canadian Objection Deadline: November 13, 2017 at 5:00 p.m. (ET)** **Confirmation Hearing Date: November 21, 2017 at 11:00 a.m. (ET)**

- and -

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, C. C-36, AS AMENDED.
AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT OF PERFORMANCE SPORTS GROUP LTD. *ET. AL.*

NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT; (II) DEADLINE FOR VOTING ON THE PLAN; (III) HEARING TO CONSIDER CONFIRMATION OF PLAN AND CCAA APPROVAL ORDER; AND (IV)

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively) (1514). The Debtors' mailing address is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

DEADLINE FOR FILING OBJECTIONS TO CONFIRMATION OF PLAN AND CCAA APPROVAL ORDER

PLEASE TAKE NOTICE OF THE FOLLOWING:

APPROVAL OF DISCLOSURE STATEMENT

1. By order dated [______], 2017 (the "Disclosure Statement Order"), the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") approved the *Disclosure Statement with Respect to Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ___] (as it may be amended, supplemented or modified from time to time, the "Disclosure Statement") as containing adequate information within the meaning of section 1125 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq*. (the "Bankruptcy Code").

CONFIRMATION HEARING

2. On November 21, 2017, at 11:00 a.m. (ET), or as soon thereafter as counsel may be heard, a joint hearing (the "Confirmation Hearing") will be held before the Honorable Kevin J. Carey, United States Bankruptcy Judge, in Courtroom No.5, 5th Floor at the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, Wilmington, Delaware 19801, to consider confirmation of the *Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and Its Affiliated Debtors* [Docket No. ____] (as it may be amended, supplemented or modified from time to time pursuant to the terms thereof, the "Plan") and before the Honourable Justice Hainey on the 8th Floor, Ontario Superior Court of Justice (Commercial List) (the "Canadian Court"), 330 University Avenue, Toronto, Ontario M5G 1R7, with the Canadian Court considering issuance of an order (the "CCAA Approval Order") effectuating the Plan in the proceedings pending before the Canadian Court, as applicable.[2] The Confirmation Hearing may be adjourned or postponed, from time to time, without further notice to creditors, shareholders or other parties in interest other than by an announcement of such an adjournment or postponement in open court at the Confirmation Hearing. The Plan may be modified in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the terms of the Plan, and other applicable law, without further notice, prior to, or as a result of, the Confirmation Hearing.

ENTITLEMENT TO VOTE ON PLAN

3. In accordance with the terms of the Plan and the Bankruptcy Code, holders of Claims that are unimpaired by the Plan are deemed to have accepted the Plan and therefore are not entitled to vote on the Plan. Holders of Parent Equity Interests and holders of Claims against the Debtors that are impaired by the Plan and that will receive a distribution on account of such Claims are entitled to vote on the Plan.

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[2] All capitalized terms used in this Notice but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement or the Plan, as applicable.

4. October 3, 2017 has been established by the Bankruptcy Court as the record date (the "Voting Record Date") for determining the parties entitled to receive solicitation or notice materials in connection with the Plan and to vote on the Plan.

SUMMARY OF TREATMENT OF CLAIMS UNDER THE PLAN

5. The Plan proposes to modify the rights of certain Holders of Claims and Holders of Parent Equity Interests. Claims and Equity Interests are classified for all purposes, including voting, confirmation, and distribution pursuant to the Plan, as follows:

(a) Parent Debtor Plan: Claims Against and Equity Interests in Old PSG Wind-down Ltd. (f/k/a Performance Sports Group Ltd.).

Class	Claim or Equity Interest	Estimated Recovery	Treatment
P1	Secured Claims	100%	On or as soon as practicable after the Effective Date, each Holder of a Class P1 Allowed Secured Claim, if any, shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Secured Claim: (a) the return of the Collateral securing such Allowed Secured Claim; (b) Cash equal to 100% of the amount of such Allowed Secured Claim and Post-Petition Interest required to be paid under section 506(b) of the Bankruptcy Code; (c) such other treatment as will render the Holder of such Allowed Secured Claim Unimpaired; or (d) such other treatment as to which the Holder of such Allowed Secured Claim has agreed to in writing.
P2	Priority Non-Tax Claims	100%	Unless the Holder agrees to a different treatment, on or as soon as practicable after the later of the Effective Date or the date a Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, each Holder of an Allowed Priority Non-Tax Claim shall receive Payment in Full in Cash with Post-Petition Interest, or such other treatment as will render the Allowed Priority Non-Tax Claim Unimpaired.
P3	SEC Claim	To Be Determined	To Be Determined
P4	General Unsecured Claims	100%	To the extent not already Paid in Full or otherwise satisfied prior to the Effective Date, on or as soon as practicable after the later of (i) the Effective Date or (ii) the date a General Unsecured Claim becomes an Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive Payment in Full in Cash of the Allowed amount of its Claim. For the avoidance of doubt, in accordance with the Global Settlement, Holders of Allowed General Unsecured Claims shall not receive Post-Petition Interest on account of such Allowed General Unsecured Claims.

Class	Claim or Equity Interest	Estimated Recovery	Treatment
P5	Intercompany Claims	Reinstated	On or after the Effective Date, each Intercompany Claim shall be Reinstated, subject to the rights of Holders of General Unsecured Claims in Class P4 under the Plan (including the Global Settlement) and the CCAA Approval Order, and any Cash or Assets of the U.S. Debtors that are required to be distributed pursuant to the Plan (including the Retained Causes of Action and Liquidation Trust Expense Reserve) shall be transferred by the U.S. Debtors to the Reorganized Parent Debtor in satisfaction of the same amount of such applicable Intercompany Claims, and Intercompany Claims shall receive such additional or different treatment as will be set forth in the Plan Supplement.
P6	Individual Securities Damages Claim	100%	To the extent that the Individual Securities Damages Claim is Allowed by a Final Order, as soon as reasonably practicable thereafter, the Distribution Agent shall pay such Allowed Claim in Cash and solely from and up to the amount of the Individual Securities Damages Claim Reserve, subject to the rights of Holders of General Unsecured Claims to the prior Payment in Full of such Holders' Allowed Claims under the Plan (including the Global Settlement). For the avoidance of doubt, the Individual Securities Damages Claim shall not receive any distribution on account of any Allowed Individual Securities Damages Claim in excess of the Individual Securities Damages Claim Reserve, and such Claim shall not be treated as a Parent Equity Interest notwithstanding section 510(b) of the Bankruptcy Code and the CCAA.
P7	Parent Equity Interests	Pro Rata share of Shareholder Distributable Assets, which is anticipated to be within a range of $___ to $___ per share	Holders of Parent Equity Interests will receive their Pro Rata share of the Shareholder Distributable Assets under, and subject to, the Plan (including the Global Settlement) and the CCAA Approval Order. The Plan allows Holders of Parent Equity Interests to elect to receive certain of such Plan consideration in the form of either Beneficial Trust Interests (and a right to receive their Pro Rata share of any other Shareholder Distributable Assets in accordance with the Plan) in exchange for their Parent Equity Interests, or to retain their Parent Equity Interests. Holders of Beneficial Trust Interests and Holders of Parent Equity Interests will receive distributions of equal amounts of Cash under the Plan per Parent Equity Interests on a Pro-Rata basis (other than differences attributable to the differing tax treatment

Class	Claim or Equity Interest	Estimated Recovery	Treatment
			of the Liquidation Trust and the Reorganized Parent Debtor that may consequently result in more or less favorable recoveries to Holders of Parent Equity Interests after consideration of the potentially differing rates and basis of taxation of the individual Holders). Article V.B.3 of the Plan further describes the distributions that will be made to Holders of Parent Equity Interests and Beneficial Trust Interests. The Plan provides two options for receiving Plan consideration to Holders of Allowed Parent Equity Interests, which are described in greater detail therein.

(b) Subsidiary Debtor Plans: Claims Against and Equity Interests in Subsidiary Debtors.

Class	Claim or Equity Interest	Estimated Percentage Recovery	Treatment
1	Secured Claims	100%	On or as soon as practicable after the Effective Date, each Holder of a Class 1 Allowed Secured Claim, if any, shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Secured Claim: (a) the return of the Collateral securing such Allowed Secured Claim; (b) Cash equal to 100% of the amount of such Allowed Secured Claim and Post-Petition Interest required to be paid under section 506(b) of the Bankruptcy Code; (c) such other treatment as will render the Holder of such Allowed Secured Claim Unimpaired; or (d) such other treatment as to which the Holder of such Allowed Secured Claim has agreed to in writing.
2	Priority Non-Tax Claims	100%	Unless the Holder agrees to a different treatment, on or as soon as practicable after the later of the Effective Date or the date a Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, each Holder of an Allowed Priority Non-Tax Claim shall receive Payment in Full in Cash with Post-Petition Interest, or such other treatment as will render the Allowed Priority Non-Tax Claim Unimpaired.
3	General Unsecured Claims	100%	To the extent not already Paid in Full or otherwise satisfied prior to the Effective Date, on or as soon as practicable after the later of (i) the Effective Date or (ii) the date a General Unsecured Claim becomes an Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive Payment in Full in Cash of the Allowed amount of its Claim. For the avoidance of doubt, Holders of Allowed General Unsecured Claims shall not receive Post-Petition Interest

Class	Claim or Equity Interest	Estimated Percentage Recovery	Treatment
			on account of such Allowed General Unsecured Claims.
4	Intercompany Claims	Reinstated	On or after the Effective Date, each Intercompany Claim shall be Reinstated, subject to the rights of Holders of General Unsecured Claims in Class 3 under the Plan (including the Global Settlement) and the CCAA Approval Order, and any Cash or Assets of the U.S. Debtors that are required to be distributed pursuant to the Plan (including the Retained Causes of Action and Liquidation Trust Expense Reserve) shall be transferred by the U.S. Debtors to the Reorganized Parent Debtor in satisfaction of the same amount of such applicable Intercompany Claims, and any other Intercompany Claims shall receive such additional or different treatment as will be set forth in the Plan Supplement.
5	Intercompany Equity Interests	Reinstated	On the Effective Date, the Holders of Class 5 Intercompany Equity Interests in each Subsidiary Debtor shall receive such treatment as set forth in the Plan Supplement, subject to the rights of Holders of General Unsecured Claims in Class 3 under the Plan (including the Global Settlement) and the CCAA Approval Order.

<u>DEADLINE FOR VOTING ON THE PLAN</u>

6. November 13, 2017 (ET) (the "<u>Voting Deadline</u>") is established as the deadline by which Ballots accepting or rejecting the Plan must be received. To be counted, an original duly completed Ballot must actually be received on or prior to the Voting Deadline by Prime Clerk, LLC (the "<u>Claims and Solicitation Agent</u>"). Ballots must be either (i) mailed to PSG Ballot Processing, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022, (ii) delivered by hand or overnight courier to PSG Ballot Processing, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022, during normal business hours, or (iii) submitted via the online balloting portal by visiting https://cases.primeclerk.com/PSG/, clicking

on "Submit E-Ballot" and following the instructions on the website. Except in the Debtors' discretion and as provided above, any Ballot transmitted to the Claims and Solicitation Agent by facsimile or other electronic means shall not be counted.

INJUNCTION, RELEASES AND EXCULPATION

7. The Plan contains certain injunction, release, and exculpation provisions in Article X of the Plan, set forth below. Parties are encouraged to review the Plan, including Article X of the Plan, in its entirety.

A. Certain Releases by the Debtors

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, AS OF THE EFFECTIVE DATE, AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, FOR GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, THE DEBTOR RELEASEES ARE DEEMED RELEASED AND DISCHARGED BY THE LIQUIDATION TRUST, THE DEBTORS AND THE ESTATES, FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, REMEDIES, CAUSES OF ACTION, RIGHTS OF SETOFF, OTHER RIGHTS, AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR THAT COULD BE ASSERTED DIRECTLY OR INDIRECTLY ON BEHALF OF THE LIQUIDATION TRUST, THE DEBTORS, OR THE ESTATES, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, AND ANY AND ALL CAUSES OF ACTION ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED ON BEHALF OF THE LIQUIDATION TRUST, THE DEBTORS, OR THE ESTATES (WHETHER INDIVIDUALLY OR COLLECTIVELY) BASED ON, RELATING TO OR ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE ESTATES OR THE DEBTORS' SUBSIDIARIES, THE CONDUCT OF THE DEBTORS' BUSINESSES, THE OUT-OF-COURT EFFORTS TO RESTRUCTURE OR LIQUIDATE THE DEBTORS, THE FILING AND PROSECUTION OF THE CHAPTER 11 CASES OR THE CCAA PROCEEDINGS, THE PREPETITION CONTRACTS AND AGREEMENTS WITH ANY DEBTOR OR ANY ESTATE, ALL TO THE EXTENT SUCH ACTS OR OCCURRENCE TOOK PLACE PRIOR TO THE PETITION DATE (COLLECTIVELY, THE "RELEASED LIABILITIES"); PROVIDED, HOWEVER, THAT AS TO ANY EMPLOYEES OF THE DEBTORS WHO ARE INSURED PERSONS (SUCH EMPLOYEES, "INSURED EMPLOYEES"), THE DEBTORS, THE ESTATES AND THE LIQUIDATION TRUST, AS APPLICABLE, SHALL BE PERMITTED TO PURSUE THE INSURED EMPLOYEES FOR ANY RELEASED LIABILITIES (THE "PERMITTED ACTIONS") SO LONG AS ALL RECOURSE FOR THE PERMITTED ACTIONS AGAINST SUCH INSURED EMPLOYEES SHALL BE LIMITED IN ALL RESPECTS TO APPLICABLE INSURANCE PROCEEDS ACTUALLY AVAILABLE AND THE INSURED EMPLOYEES SHALL HAVE NO PERSONAL LIABILITY RELATED TO ANY PERMITTED ACTIONS. NOTWITHSTANDING ANYTHING CONTAINED HEREIN,

AN INSURED EMPLOYEE SHALL RECEIVE THE BENEFIT OF THE RELEASE PROVISIONS CONTAINED IN THIS ARTICLE X.A OF THE PLAN ONLY IF, PRIOR TO THE EFFECTIVE DATE, THE DEBTORS HAVE OBTAINED THE CONSENT OF THE [D&O INSURERS], IN FORM AND SUBSTANCE ACCEPTABLE TO THE EQUITY COMMITTEE IN ITS DISCRETION, CONFIRMING THAT THE RIGHTS OF THE DEBTORS, THE ESTATES AND THE LIQUIDATION TRUST TO PURSUE ALL APPLICABLE INSURANCE POLICIES ON ACCOUNT OF THE PERMITTED ACTIONS AND OBTAIN RECOVERIES THEREUNDER IN RESPECT TO THE PERMITTED ACTIONS SHALL NOT BE AFFECTED, IMPAIRED, OR COMPROMISED IN ANY WAY BY THE RELEASES OF THE DEBTOR RELEASEES OR ANY OTHER INSURED EMPLOYEE GRANTED IN THIS ARTICLE X.A. TO THE EXTENT SUCH CONSENT HAS NOT BEEN OBTAINED FROM THE [D&O INSURERS] PRIOR TO THE EFFECTIVE DATE, THE RELEASES GRANTED IN THIS ARTICLE X.A TO ANY INSURED EMPLOYEE SHALL BE NULL AND VOID. FOR THE AVOIDANCE OF DOUBT, EXCEPT TO THE EXTENT EXPRESSLY PROVIDED UNDER THIS PLAN IN RESPECT TO THE DEBTOR RELEASEES, NO RELEASE IS BEING GRANTED TO ANY PERSON OR ENTITY UNDER THIS PLAN.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE RELEASES SET FORTH IN THIS ARTICLE X.A, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT SUCH RELEASE IS: (A) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE DEBTOR RELEASEES; (B) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THIS ARTICLE X.A; (C) IN THE BEST INTERESTS OF THE DEBTORS AND THEIR ESTATES; (D) FAIR, EQUITABLE, AND REASONABLE; (E) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (F) A BAR TO ANY PERSON ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED BY THIS ARTICLE X.A.

B. Certain Releases by Holders of Claims

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, AS OF THE EFFECTIVE DATE, THE THIRD-PARTY RELEASEES SHALL BE DEEMED TO HAVE BEEN CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASED AND DISCHARGED BY THE RELEASING PARTIES FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, REMEDIES, CAUSES OF ACTION, RIGHTS OF SETOFF, OTHER RIGHTS, AND LIABILITIES WHATSOEVER, WHETHER FOR TORT, CONTRACT, VIOLATIONS OF FEDERAL, PROVINCIAL OR STATE SECURITIES LAWS, AVOIDANCE ACTIONS, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED DIRECTLY OR INDIRECTLY ON BEHALF OF THE RELEASING PARTIES OR THEIR AFFILIATES, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED,

KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, AND ANY AND ALL CAUSES OF ACTION ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED ON BEHALF OF THE RELEASING PARTIES OR THEIR AFFILIATES (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM, BASED ON OR IN ANY WAY RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE LIQUIDATION TRUST, THE DEBTORS, THE DEBTORS' ESTATES OR THE DEBTORS' SUBSIDIARIES, THE CONDUCT OF THE DEBTORS' BUSINESSES, THE IN-COURT OR OUT-OF-COURT EFFORTS TO RESTRUCTURE OR LIQUIDATE THE DEBTORS, THE FORMULATION, PREPARATION, SOLICITATION, DISSEMINATION, NEGOTIATION, OR FILING OF THE DISCLOSURE STATEMENT OR THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), OR ANY CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH OR PURSUANT TO THE DISCLOSURE STATEMENT, THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), THE FILING AND PROSECUTION OF THE CHAPTER 11 CASES OR THE CCAA PROCEEDINGS, THE PURSUIT OF CONFIRMATION, THE PURSUIT OF CONSUMMATION, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM THAT IS TREATED IN THIS PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE LIQUIDATION TRUST, THE DEBTORS, THE DEBTORS' ESTATES OR THE DEBTORS' SUBSIDIARIES, ON THE ONE HAND, AND ANY RELEASING PARTIES, ON THE OTHER HAND, PREPETITION CONTRACTS AND AGREEMENTS WITH ANY DEBTOR, OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE BEFORE THE EFFECTIVE DATE.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE RELEASES SET FORTH IN THIS ARTICLE X.B, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT SUCH RELEASE IS: (A) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE THIRD-PARTY RELEASEES; (B) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THIS ARTICLE X.B; (C) IN THE BEST INTERESTS OF THE DEBTORS AND THEIR ESTATES; (D) FAIR, EQUITABLE, AND REASONABLE; (E) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (F) A BAR TO ANY PERSON ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED BY THIS ARTICLE X.B.

C. Exculpation

EFFECTIVE AS OF THE EFFECTIVE DATE, NONE OF THE EXCULPATED PARTIES SHALL HAVE OR INCUR ANY LIABILITY TO ANY HOLDER OF ANY CLAIM OR EQUITY INTEREST, THE DEBTORS' ESTATES OR ANY SUCCESSOR THERETO, OR ANY OTHER PARTY (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, INCLUDING THE FORMULATION, NEGOTIATION AND EXECUTION OF THE PURCHASE AGREEMENT, THE SALE OF THE DEBTORS' ASSETS PURSUANT TO THE PURCHASE AGREEMENT, OBTAINING DEBTOR-IN-POSSESSION FINANCING IN CONNECTION WITH THE CHAPTER 11 CASES AND THE CCAA PROCEEDINGS, THE FORMULATION, NEGOTIATION AND EXECUTION OF THIS PLAN (INCLUDING THE PLAN SUPPLEMENT), THE DISCLOSURE STATEMENT, THE SOLICITATION OF VOTES FOR AND THE PURSUIT OF CONFIRMATION OF THIS PLAN, THE CONSUMMATION OF THIS PLAN, OR THE ADMINISTRATION OF THIS PLAN, AND THE PROPERTY TO BE DISTRIBUTED UNDER THIS PLAN, INCLUDING ALL DOCUMENTS ANCILLARY THERETO, ALL DECISIONS, ACTIONS, INACTIONS AND ALLEGED NEGLIGENCE OR MISCONDUCT RELATING THERETO AND ALL POSTPETITION ACTIVITIES LEADING TO THE PROMULGATION AND CONFIRMATION OF THIS PLAN (INCLUDING ANY OTHER POST-PETITION ACT TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH OR IN CONTEMPLATION OF THE RESTRUCTURING OR LIQUIDATION OF THE DEBTORS), EXCEPT IN CASE OF FRAUD, WILLFUL MISCONDUCT, OR GROSS NEGLIGENCE BY SUCH EXCULPATED PARTY AS DETERMINED BY A FINAL ORDER OF THE BANKRUPTCY COURT OR THE CANADIAN COURT. EFFECTIVE AS OF THE EFFECTIVE DATE, NO PERSON (INCLUDING THE LIQUIDATION TRUSTEE) SHALL HAVE ANY RIGHT OF ACTION, EITHER DIRECT OR DERIVATIVE OF THE ESTATES, AGAINST THE EXCULPATED PARTIES FOR ANY EXCULPATED ACTIONS, PROVIDED, HOWEVER, THAT NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS PLAN, THE EXCULPATION OF THE DEBTORS' DIRECTORS ARE SUBJECT TO SECTION 5.1(2) OF THE CCAA.

D. Injunction

UPON THE OCCURRENCE OF THE EFFECTIVE DATE, ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS AND OTHER PARTIES IN INTEREST, ALONG WITH THEIR RESPECTIVE PRESENT OR FORMER AFFILIATES, EMPLOYEES, AGENTS, ATTORNEYS, ADVISORS, OFFICERS, DIRECTORS, PARTNERS OR PRINCIPALS, TO THE EXTENT CONSISTENT WITH THIS PLAN, SHALL BE ENJOINED FROM TAKING ANY ACTIONS TO INTERFERE WITH THE IMPLEMENTATION OF THIS PLAN, AND ARE PERMANENTLY ENJOINED AND FOREVER BARRED FROM TAKING ANY ACTION AGAINST THE EXCULPATED PARTIES, DEBTOR RELEASEES OR THIRD-PARTY RELEASEES, AND THEIR RESPECTIVE ASSETS, THAT IS INCONSISTENT WITH THE TERMS OF THIS PLAN, INCLUDING AN INJUNCTION FROM (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY CLAIMS OR EQUITY INTERESTS; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD,

DECREE, OR ORDER ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS; (C) CREATING, PERFECTING, OR ENFORCING ANY ENCUMBRANCE OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS; (D) ASSERTING ANY RIGHT OF SETOFF, SUBROGATION, OR RECOUPMENT OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS; AND (E) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS RELEASED, EXCULPATED, SETTLED OR OTHERWISE ADDRESSED PURSUANT TO THIS PLAN, EXCEPT ON TERMS CONSISTENT WITH THIS PLAN.

DEADLINE FOR OBJECTIONS TO THE PLAN

8. Objections to confirmation of, or proposed modifications to, the Plan, if any, must (i) be in writing; (ii) state the name and address of the objecting party; (iii) state the amount (if applicable) and nature of the Claim of, or number of Parent Equity Interests held by, such party; (iv) state with particularity the basis and nature of any objection to the Disclosure Statement and/or Plan and proposed modifications to the Plan that would resolve such objection; and (v) be filed, together with proof of service, with the Bankruptcy Court and served so that they are received no later than November 13, 2017 at 4:00 p.m. (ET) (the "Confirmation Objection Deadline") by the following parties: (i) co-counsel to the Debtors, (1) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas New York, New York 10019 (Attn: Kelley A. Cornish and Alice Belisle Eaton), and (2) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801 (Attn: Pauline K. Morgan, Sean T. Greecher, and Justin H. Rucki); (ii) counsel to the Equity Committee, (1) Brown Rudnick LLP, Seven Times Square, New York, New York 10036 (Attn: Robert J. Stark and Andrew M. Carty), (2) Brown Rudnick LLP, One Financial Center, Boston, MA 02111 (Attn: Steven B. Levine), and (3) Montgomery McCracken Walker & Rhoads LLP, 1105 North Market Street, 15th Floor, Wilmington, Delaware 19801 (Attn: Mark A. Fink); and (iii) counsel to the Creditors' Committee, (1) Blank Rome LLP, 1201 Market Street, Suite 800, Wilmington, Delaware 19801 (Attn: Stanley B. Tarr and Josef W. Mintz), and (2) Blank Rome LLP, The Chrysler Building, 405 Lexington Avenue, New York, New York 10174 (Attn: Michael B. Schaedle); (iv) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Mark S. Kenney); and (v) counsel to the Monitor, Thornton Grout Finnigan LLP, 100 Wellington Street West, Suite 3200, Toronto, Ontario M5K 1K7 (Attn: Robert Thornton and Rachel Bengino). Objections that are not timely filed and served in the manner set forth above may not be considered by the Bankruptcy Court.

9. Objections to the CCAA Approval Order, if any, must (i) be in writing; (ii) state the name and address of the objecting party; (iii) state with particularity the basis and nature of any objection to the Plan or CCAA Approval Order; (iv) include any evidence or material that the objecting party intends to rely on at the Confirmation Hearing; and (v) be served so that they are received no later than November 13, 2017 at 5:00 p.m. (ET) (the "Canadian Objection Deadline") by the following parties: (i) Canadian counsel to the Debtors, Stikeman Elliott LLP, 5300 Commerce Court West; 199 Bay Street, Toronto, Ontario M5L 1B9 (Attn:

Peter Howard and Lee Nicholson) (ii) counsel to the Monitor, Thornton Grout Finnigan LLP, 100 Wellington Street West, Suite 3200, Toronto, Ontario M5K 1K7 (Attn: Robert Thornton and Rachel Bengino) (iii) Canadian counsel to the Equity Committee, McMillan LLP; Brookfield Place, 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3 (Attn: Andrew Kent and Caitlin Fell); (iv) Canadian counsel to the Creditors' Committee, Cassels Brock & Blackwell LLP 2100 Scotia Plaza, 40 King Street West, Toronto Ontario M5H 3C2 (Attn: Ryan Jacobs and Shayne Kukulowicz); and (v) other parties on the Service List found on the Monitor's website at www.ey.com/ca/PSG, and subsequently filed with the Canadian Court. Objections that are not timely filed and served in the manner set forth above may not be considered by the Canadian Court.

COPIES OF THE PLAN AND DISCLOSURE STATEMENT

9. Copies of the Disclosure Statement and the Plan are available for inspection during regular business hours, Monday through Friday 8:00 a.m. to 4:00 p.m., excluding federal holidays, at the office of the clerk of the Bankruptcy Court, 3rd Floor, 824 North Market Street, Wilmington, Delaware 19801. In addition, copies of the Plan and Disclosure Statement may be obtained by visiting the website maintained by the Debtors' Claims and Solicitation Agent in the Chapter 11 Cases, https://cases.primeclerk.com/PSG/ and the website maintained by the Monitor in the CCAA Proceedings at www.ey.com/ca/PSG; by contacting the Debtors' Claims and Solicitation Agent, Prime Clerk, LLC, via telephone at (855) 631-5352 or via email at psgballots@primeclerk.com; or from the Bankruptcy Court's website, www.deb.uscourts.gov, for a fee. A PACER login and password are required to access documents on the Bankruptcy Court's website and these can be obtained through the PACER Service Center at www.pacer.psc.uscourts.gov. Electronic copies of the Plan and Disclosure Statement will be available following the Confirmation Hearing on SEDAR at www.sedar.com and on the SEC's website at www.sec.gov.

Dated: _________, 2017
Wilmington, Delaware

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

ORDER
(RE: DIRECTIONS ON JOINT PLAN AND STAY EXTENSION)

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

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Lawyers for the Applicants

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.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

MOTION RECORD
(Re: Directions on Joint Plan and Stay Extension)
(Returnable September 27, 2017)

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