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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N :

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 SPSUSH INC., OLD EBS INC., OLD PLG INC., AND OLD PSGI INC.

Applicants

MOTION RECORD OF THE MOVING APPLICANTS

(Returnable December 3, 2018)

November 26, 2018

MCMILLAN LLP
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Lawyers for the Applicants

TO: THE SERVICE LIST

INDEX

INDEX

TAB 1

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

ONTARIO
SUPERIOR COURT OF JUSTICE
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B E T W E E N :

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Applicants

NOTICE OF MOTION
(Returnable December 3, 2018)

Old PSG Wind-down Ltd. ("**PSG**" or the "**Parent Debtor**"), Old BHR Wind-down Corp., Old BPSU Wind-down Corp., Old BPSDS Wind-down Corp., Old EBS Wind-down Corp., Old EBS Wind-down Corp., Old PLG Wind- down Corp., Old PSGI Wind-down Corp., Old BHR Inc., Old BH Inc., Old BPSU Inc., Old BPSCI Inc., Old BPSCI Inc., Old BPSUSH Inc., Old EBS Inc., Old PLG Inc., and Old PSGI Inc. (collectively, the "**Applicants**"), will make a motion before a judge of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), on December 3, 2018 at 10:00 am or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

(a) An Order extending the Stay Period (as defined and referred to in the Order of Justice Newbould dated October 31, 2016, as amended and restated (the "**Initial Order**")), until June 30, 2019, in the form of draft order attached hereto as Schedule "A"; and

(b) Such further and other relief as this Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Background

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

(b) On October 31, 2016 (the "**Filing Date**"), the Applicants were granted protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**") pursuant the Initial Order of this Court;

(c) Also on the Filing Date, the Applicants filed for creditor protection (the "**Chapter 11 Cases**") in the U.S. Bankruptcy Court for the District of

Delaware (the “**Bankruptcy Court**” and together with this Court, the “**Courts**”) under the Bankruptcy Code;

(d) Pursuant to the Initial Order, Ernst & Young Inc. was appointed Monitor in these CCAA proceedings (the “**CCAA Proceedings**” and together with the Chapter 11 Cases, the “**Insolvency Proceedings**”);

(e) The Applicants’ restructuring included the going concern sale of substantially all of their assets (the “**Sale**”);

(f) Following the Sale, the Applicants’ DIP Facilities were fully repaid, and there remained residual funds in the estate to (i) repay the Holders of General Unsecured Creditors’ Claims (in Canada and the U.S.) in full, upon resolution of those claims in accordance with the claims procedures described below; and (ii) make a distribution to the holders of equity claims in the Parent Debtor (the “**Sale Proceeds**”);

The Joint Plan

(g) The Applicants, the Monitor, and various stakeholders extensively negotiated an agreement to effectively wind-up the Insolvency Proceedings - the First Amended Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and its affiliated debtors, as further amended, modified or supplemented (the “**Joint Plan**”) was the result of these negotiations;

(h) The Joint Plan is a global settlement reached between the parties to resolve the Insolvency Proceedings in an efficient manner, and provides for the successful completion of the Applicants' liquidation and distribution of approximately $50 million in remaining Sale Proceeds;

(i) There was a joint hearing of this Court and the Bankruptcy Court to consider confirmation of the Joint Plan on December 20, 2017. The Joint Plan was approved by the Order of Justice Hainey dated December 20, 2017 (the "**Plan Approval Order**"), and the Bankruptcy Court approved the Joint Plan by Order of the same date;

(j) The Plan Approval Order extended the Stay Period until December 31, 2018;

Request for Extension of the Stay Period

(k) The Applicants are seeking a further extension of the Stay Period until June 30, 2019;

(l) The Monitor requested the extension;

(m) The extension of the Stay Period will enable the Applicants to:

  (i) resolve unresolved Claims, including those as filed by the Canada Revenue Agency and Revenue Quebec and complete all Initial Cash Distributions to Holders of Allowed General Unsecured Claims; and

(ii) complete the filings of any required tax reporting to receive the applicable Clearance Certificates, as required under the Joint Plan and Plan Approval Order;

(n) The Applicants and the Monitor have sufficient cash on hand to fund all costs in connection with such extension;

(o) No creditor would be materially prejudiced by the extension of the Stay of Proceedings;

(p) The Applicants have acted in good faith and with due diligence in these CCAA Proceedings since the Initial Order;

(q) *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, s. 11 and 11.02;

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

(s) Such further and other grounds as counsel may advise and this Court may permit.

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

(a) The Affidavit of Mark Palmer to be sworn, and the exhibits attached thereto;

(b) The Thirteenth Report of the Monitor, to be filed; and

(c) Such further and other materials as counsel may advise and this Honourable Court may permit.

November 26, 2018

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Lawyers for the Applicants

TO: THE SERVICE LIST

TAB A

Schedule A

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

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	MONDAY, THE 3rd
	)	
	)	
JUSTICE __________________	)	DAY OF DECEMBER, 2018

B E T W E E N :

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 SPSUSH INC., OLD EBS INC., OLD PLG INC., AND OLD PSGI INC.

Applicants

ORDER

THIS MOTION, made by 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. (collectively, the "**Applicants**") for an extension of the Stay Period (as defined in the CCAA Initial Order dated October 31, 2016) to June 30, 2019, was heard this day at 330 University Avenue, Toronto Ontario.

ON READING the motion record of the Applicants, the Factum and Authorities of the Applicants, the Thirteenth Report of the Monitor, and on hearing the submissions of the lawyers for the Applicants:

1. THIS COURT ORDERS that the Stay Period, as defined in the CCAA Initial Order, is hereby further extended to June 30, 2019.

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.
Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER

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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
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ONTARIO
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Proceeding commenced at Toronto

NOTICE OF MOTION
(Returnable December 3, 2018)

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Lawyers for the Applicants

TAB 2

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ONTARIO
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Applicants

AFFIDAVIT OF MARK PALMER
(Sworn November , 2018)

I, **MARK PALMER**, of the City of New York, in the State of New York, in the United States of America, **MAKE OATH AND SAY**:

1. I am the Managing Director of Theseus Strategy Group LLC ("**Theseus**") and the Court-appointed Chief Wind-Down Officer of Old PSG Wind-down Ltd. ("**PSG**" or the "**Parent Debtor**"), Old BHR Wind-down Corp., Old BPSU Wind-down Corp., Old BPSDS Wind-down Corp., Old EBS Wind-down Corp., Old EBS Wind-down Corp., Old PLG Wind- down Corp., Old PSGI Wind-down Corp., Old BHR Inc., Old BH Inc., Old BPSU Inc., Old BPSCI Inc., Old BPSCI Inc., Old BPSUSH Inc., Old EBS Inc., Old PLG Inc., and Old PSGI Inc. (collectively, the "**Applicants**").

2. As described in detail below, I was appointed Chief Wind-Down Officer by Order of Justice Hainey dated December 20, 2017 ("**Plan Approval Order**"), which

approved the First Amended Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and its affiliated debtors, as further amended, modified or supplemented (the "**Joint Plan**"). A copy of the Plan Approval Order is attached as Exhibit "A". The Plan Approval Order also extended the Stay Period (as defined in the Initial Order (defined below)) until December 31, 2018, to provide time for the implementation of various distributions and other liquidation measures contemplated under the Joint Plan.

3. I swear this affidavit in support of the Applicants' motion seeking an Order further extending the Stay Period to June 30, 2019 (the "**Stay Extension Order**").

4. As Chief Wind-Down Officer, I have knowledge of the matters to which I hereinafter depose. Where I have relied on information from others, I have identified the source of my information and believe it to be true.

5. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Joint Plan as appended to the Plan Approval Order, a copy of which is available at the Monitor's website at:

https://documentcentre.eycan.com/eycm_library/Project%20Breakaway/English/Court%20Orders/CCAAApprovalOrder20Dec2017.PDF

References to currency in this affidavit are references to U.S. dollars unless otherwise stated.

A. Background and Commencement of the CCAA Proceedings

6. The Applicants formerly designed, developed, manufactured, marketed and sold performance sports equipment, accessories, and related apparel for a variety of sporting

activities including ice hockey, lacrosse, baseball and softball, under the brand names of BAUER, EASTON, MISSION, MAVERIK, CASCADE, INARIA and COMBAT.

7. On October 31, 2016 (the "**Filing Date**"), the Applicants were granted protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**") pursuant to an Order (as amended and restated, the "**Initial Order**") of this Court (the "**Canadian Court**").

8. Also on the Filing Date, the Applicants filed for creditor protection (the "**Chapter 11 Cases**") in the U.S. Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**" and together with the Canadian Court, the "**Courts**") under the Bankruptcy Code.

9. Pursuant to the Initial Order, Ernst & Young Inc. was appointed as the Monitor (the "**Monitor**") in these CCAA proceedings (the "**CCAA Proceedings**" and together with the Chapter 11 Cases, the "**Insolvency Proceedings**").

10. The Applicants' restructuring included the going concern sale of substantially all of their assets. On November 30, 2016, the Courts issued and entered orders approving a sales process (the "**Sales Process**"), including a stalking horse asset purchase agreement dated October 31, 2016, (as amended, the "**Purchase Agreement**") for the sale of substantially all of the Applicants' assets to Peak Achievement Athletics Inc. (f/k/a 9938982 Canada Inc.) or its designate (the "**Purchaser**").

11. On February 6, 2017, the Courts issued and entered orders approving, among other things, the Purchase Agreement vesting the purchased assets in the Purchaser free

and clear (the "**Sale Orders**"). On February 28, 2017, the Applicants announced the sale of substantially all of their assets to the Purchaser under the Sale Orders (the "**Sale**").

12. Following the Sale, the Applicants' DIP Facilities were fully repaid. It was anticipated that there would be residual funds in the estate to (i) repay the Holders of General Unsecured Claims (in Canada and the U.S.) in full, upon resolution of those claims in accordance with the claims procedures described below; and (ii) make a distribution to the holders of equity claims in the Parent Debtor (the "**Sale Proceeds**").

B. Joint Plan and Approval

13. Following the closing of the Sale, the Applicants, the Monitor, and various stakeholders extensively negotiated an agreement to effectively wind-up the Insolvency Proceedings. These stakeholders included the statutory committee of equity holders appointed in the Chapter 11 Cases (the "**Equity Committee**") and the statutory committee of unsecured creditors appointed in the Chapter 11 Cases (the "**Creditors' Committee**"). The Joint Plan was the result of these negotiations.

14. The Joint Plan is a global settlement reached between the parties in order to resolve the Insolvency Proceedings in an efficient manner. The Joint Plan provides for the successful completion of the Applicants' liquidation and distribution of approximately $50 million in remaining Sale Proceeds.

15. On November 1, 2017, the Bankruptcy Court granted an order authorizing, among other things, the Applicants to solicit votes on the Joint Plan. The Canadian Court

also granted a reciprocal order to solicit votes on the Joint Plan. Ultimately, every class voted at least 88.24% in number and 99% in amount to accept the Joint Plan.

16. At a joint hearing of the Canadian Court and the Bankruptcy Court to consider confirmation of the Joint Plan on December 20, 2017, the Courts approved the Joint Plan and the Canadian Court granted the Plan Approval Order. The Plan Approval Order extended the Stay Period until December 31, 2018.

(i) Substantive Details of the Joint Plan

17. The Joint Plan incorporates two settlements that resolve certain obstacles to winding up the Insolvency Proceedings:

(a) A global settlement (the "**Global Settlement**") reached between the parties in order to resolve the Insolvency Proceedings. Under the Global Settlement there is: (a) payment in full of all Allowed General Unsecured Claims without Post-Petition Interest (to the extent it would have been allowable); (b) 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.

(b) A class settlement (the "**Class Settlement**") between the Applicants and the Plumbers & Pipefitters National Pension Fund (the "**Lead Plaintiff**"), acting for itself and on behalf of the putative class of purchasers of common shares of PSG (the "**Putative Class**"). Under the Class Settlement: (a) the Lead Plaintiff will receive (on behalf of itself and each member of the Putative Class) a distribution of $1.15 million of Cash from the Sale Proceeds prior to Cash distributions of Sale Proceeds made to Holders of Parent Equity Interests; and (b) the Lead Plaintiff will thereafter receive (on behalf of itself and each member of the Putative Class) forty percent (40%) participation in net recoveries from Retained Causes of Action, up to an aggregate maximum amount of $2.5 million.

(ii) Corporate Governance

18. The Equity Committee recommended that I be appointed to act as Chief Wind-Down Officer to wind-up and dissolve each of the Applicants other than PSG. My appointment was provided for in the Plan Approval Order. My duties include assisting the Applicants in completing the necessary intercompany transactions to implement the Global Settlement.

19. As part of the Joint Plan and Plan Approval Order, the Applicants' current directors and officers resigned or were deemed to have resigned. The Joint Plan recommended a new board, and this board (the "**PSG Board**") was appointed under the Plan Approval Order.

20. A Liquidation Trust was created as part of the Joint Plan to provide Holders of Parent Equity Interests with an option to exchange their equity interests for beneficial interests in the Liquidation Trust due to differing tax consequences in Canada and the U.S. The Chapter 11 Plan provided that the Applicants would automatically transfer to

the Liquidation Trust assets allocable to those exchanged equity interests, along with certain Liquidation Trust expense reserves. The Equity Committee selected members for a Liquidation Trust Advisory Board (the "**Trust Advisory Board**") to review decisions made regarding the Liquidation Trust, among other things. These positions became effective through the Plan Approval Order.

21. The Plan Approval Order also appointed Theseus to the role of trustee of the Liquidation Trust ("**Liquidation Trustee**"). Theseus also acts as Litigation Representative of the Applicants and Liquidation Trust in prosecuting any Retained Causes of Action for the benefit of Holders of Parent Equity Interests (and the Lead Plaintiff and Putative Class in accordance with the Class Settlement).

C. Claims Procedure

22. On December 19, 2016, the Canadian Court issued a claims procedure order (the "**Claims Procedure Order**") to solicit claims against the Applicants. The Bankruptcy Court granted a similar order. On April 10, 2017, the Canadian Court also issued a claims procedure order for the solicitation of claims from the Applicants' former employees (the "**Employee Claims Procedure Order**''). The Bankruptcy Court granted a similar order.

23. On September 1, 2017, the Canadian Court granted an order (the "**Claims Resolution Order**") establishing a process to resolve claims against the Canadian-incorporated Applicants (the "**Canadian Debtors**"). The Claims Resolution Order also set out a protocol to resolve cross-border claims filed against both the Canadian Debtors

and the American-incorporated Applicants (the "**U.S. Debtors**"). On October 19, 2017, the Bankruptcy Court granted a reciprocal order making the Claims Resolution Order effective in the Chapter 11 Cases.

24. Since the issuance of the Claims Resolution Order, the Applicants and the Monitor have been working diligently to reconcile and resolve claims filed against the Applicants. As set out more particularly below, the efforts expended have led to the resolution of the majority of the claims, and as a result, the Monitor, the PSG Board and the Trust Advisory Board have approved certain distributions.

D. Performance of the Joint Plan following the Plan Approval Order and Distributions

25. Following the issuance of the Plan Approval Order, the Parent Debtor has taken steps to implement the transactions contemplated therein with the advice and direction of the PSG Board and Trust Advisory Board (collectively, the "**Boards**") to ensure that the Applicants are liquidated and disbursements are made to their creditors.

(i) Trust Beneficiary Elections

26. As noted above, under the Chapter 11 Plan, certain Holders of Parent Equity Interests exchanged their equity interests in the Parent Debtor for beneficial interests in the Liquidation Trust. The exercise of this election resulted in a countervailing transfer of the assets of the Parent Debtor to the Liquidation Trust in an amount equal to such electing equity holder's pro rata interest in such assets. In order to assess the total quantum of assets so transferred between the Applicants and the Liquidation Trust, the Liquidation Trustee was required to undertake a good faith valuation of the Applicants'

and Liquidation Trust's assets (including the potential value of the Retained Causes of Action). FTI Consulting Inc. ("**FTI**") was engaged to conduct the valuation and prepare a report, and was authorized by the Boards to enter into this retainer.

27. In connection with this contemplated valuation by FTI, the Boards approved the valuation of the Liquidation Trust's assets as of two valuation dates:

(a) the effective date of the Chapter 11 Plan (being the day following the Plan Approval Order: December 21, 2017); and

(b) the effective date on which equity holders in the Parent Debtor who elected to exchange their shares for beneficial interests in the Liquidation Trust would be deemed to have so exchanged such shares for beneficial interests in the Liquidation Trust (the "**Split Date**").

28. On May 24, 2018, the PSG Board and Trust Advisory Board resolved to establish May 31, 2018 as the Split Date, and provided authorization to implement any adjustments necessary to effect this exchange in an administratively efficient manner.

(ii) Distributions

29. Under the Joint Plan, the Parent Debtor and the Monitor act as Distribution Agent for all distributions to Holders of General Unsecured Claims. Distributions may be made to such Holders following either receipt of applicable clearance certificates or a comfort letter from the relevant taxing authorities, including the Canadian Revenue Agency (the "**CRA**") and Quebec Revenue Agency ("**QRA**"), or such other arrangements as are satisfactory to the Monitor.

30. Since the Plan Approval Order was granted, the Monitor and the Parent Debtor received applicable comfort letters to enable distributions to Holders of General Unsecured Claims and have been working towards securing applicable clearance certificates from the relevant taxing authorities in order to distribute the Sale Proceeds. Pursuant to the Joint Plan, receipt of applicable clearance certificates from the relevant taxing authorities are required prior to making distributions to Holders of Parent Equity Interests.

31. As of July 18, 2018, a sufficient number of claims against the U.S. Debtors and the Canadian Debtors had been resolved to satisfy the Monitor and Applicants that it would be appropriate to make a distribution to Canadian and U.S. holders of General Unsecured Claims. I understand the Monitor will provide information with respect to this distribution in its report filed in connection with this motion.

32. The PSG Board and the Trust Advisory Board discussed the quantum of this distribution and the maximum value of unresolved claims with a view to understanding whether the estate had sufficient funds to meet all creditor claims when resolved. The PSG Board and the Trust Advisory Board concluded that sufficient funds were available to meet those liabilities and unanimously resolved to make distributions to Canadian and U.S. Holders of General Unsecured Claims in accordance with the approved distribution schedule.

33. As of November 19, 2018, 9 claims against the Applicants remained unresolved, representing approximately $4.6 million in maximum asserted potential exposure.

34. Other sources of recovery and/or potential recovery to the estates of the Applicants may include credit card reserves, potential Canadian tax refunds, and potential reimbursement of certain administrative expenses, continue to be pursued by the Monitor and various professionals.

(iii) Retained Causes of Action

35. The Chapter 11 Plan contemplated the prosecution of certain Retained Causes of Action. The Chief Wind-Down Officer and the Liquidation Trustee (with the input of the Boards) and their advisors have been engaged in material diligence and analysis of the Retained Causes of Action. At this time, the Chief Wind-Down Officer and the Liquidation Trustee continue to consider their options with regard to such potential litigation.

E. Extension of the Stay Period

36. As described in the Monitor's Report dated November 26, 2018, more than $11 million has been distributed in connection with the satisfaction of claims.

37. As described above, under the terms of the Joint Plan the Parent Debtor will not be in a position to make an equity distribution until applicable clearance certificates have been obtained from Canadian tax agencies which requires the resolution of the outstanding claims of CRA and QRA.

38. Although the Monitor and I have been working diligently with CRA and QRA to resolve those claims and to obtain those clearances, we do not expect to be in a position

to consider distribution until the end of the first quarter in 2019. As such, the Applicants bring this motion seeking an extension of the Stay Period until June 30, 2019.

39. The sought extension would enable the Applicants to conclude the distributions and liquidation measures contemplated in the Plan Approval Order.

SWORN AFFIRMED BEFORE ME at the City of New York, this ___ day of November, 2018.	
	______________________________ MARK PALMER
______________________________ A Notary Public	

TAB A

This is Exhibit “A” referred to in the affidavit of

MARK PALMER

sworn before me this day of November, 2018.

____

A Commissioner for Taking Affidavits

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

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

(Applicants)

CCAA APPROVAL ORDER

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

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

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

DEFINITIONS

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

JOINT PLAN

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

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

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

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

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

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

7. THIS COURT ORDERS that, notwithstanding:

(a) the pendency of the CCAA Proceedings;

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

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

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

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

GOVERNANCE

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

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

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

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

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

CLASS SETTLEMENT

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

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

CCAA CHARGES

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

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

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

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

FEE AND PRIORITY TAX CLAIMS

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

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

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

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

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

FUNDING OF RESERVES

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

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

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

LIQUIDATION TRUST AND LIQUIDATION TRUSTEE

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

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

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

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

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

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

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

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

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

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

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

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

DISTRIBUTIONS

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

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

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

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

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

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

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

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

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

41. THIS COURT ORDERS AND DECLARES that:

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

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

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

MONITOR'S ACTIVITIES

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

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

RELEASES AND INJUNCTIONS

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

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

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

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

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

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

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

STIPULATION

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

MISCELLANEOUS

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

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

MONITOR'S CERTIFICATE

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

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

STAY EXTENSION

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

GENERAL

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

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

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

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

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

Hainey J.

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

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PER / PAR:

Schedules to Plan Approval Order omitted for length

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.
Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF MARK PALMER
(Sworn November , 2018)

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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.
Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

MOTION RECORD OF THE MOVING APPLICANTS
(Returnable December 3, 2018)

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