Schedule A

BIDDING PROCEDURES

These bidding procedures (the "Bidding Procedures") set forth the process by which Performance Sports Group Ltd. and certain of its subsidiaries (collectively, the "Company" or the "Sellers")[1] shall conduct a sale (the "Sale") by auction (the "Auction") of all or substantially all of their assets.

On November 30, 2016, the United States Bankruptcy Court for the District of Delaware (the "U.S. Court"), and the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court" and together with the U.S. Court, the "Courts" or each, a "Court") entered orders (the "Bidding Procedures Orders"), which, among other things, authorized the Sellers to determine the highest or otherwise best offer(s) for their assets through the process and procedures set forth below.

The U.S. Court presides over the Sellers' jointly administered chapter 11 bankruptcy cases (the "Chapter 11 Cases") captioned *In re BPS US Holdings Inc. et al.*, Ch. 11 Case No. 16-12373 (KJC) (Bankr. D. Del. Oct. 31, 2016). The Canadian Court presides over the Sellers' creditor protection proceedings (the "Canadian Proceedings" and together with the Chapter 11 Cases, the "Proceedings") commenced under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA")

On October 31, 2016, the Sellers filed in each of the Proceedings the *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; and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief* (the "Sale Motion").[2] The orders approving the Sale are referred to herein, collectively, as the "Sale Orders."

As referenced in the Sale Motion, a stalking horse asset purchase agreement (including all exhibits, schedules and ancillary agreements related thereto, and as amended and in effect, the "Stalking Horse Agreement") has been entered into by and among the Sellers, and 9938982 Canada Inc. (the "Stalking Horse Purchaser"), dated as of October 31, 2016, which

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[1] The Sellers are as follows: BPS US Holdings Inc. (8341); Bauer Hockey, Inc. (3094); Easton Baseball / Softball Inc. (5670); Bauer Hockey Retail Inc. (6663); Bauer Performance Sports Uniforms Inc. (1095); Performance Lacrosse Group Inc. (4200); BPS Diamond Sports Inc. (5909); PSG Innovation Inc. (9408); Performance Sports Group Ltd. (1514); KBAU Holdings Canada, Inc. (5751); Bauer Hockey Retail Corp. (1899); Easton Baseball / Softball Corp. (4068); PSG Innovation Corp. (2165) Bauer Hockey Corp. (4465); BPS Canada Intermediate Corp. (4633); BPS Diamond Sports Corp. (8049); Bauer Performance Sports Uniforms Corp. (2203); and Performance Lacrosse Group Corp. (1249).

[2] Capitalized terms used but not defined herein have the meaning ascribed to them in the Sale Motion.

Stalking Horse Agreement contemplates a purchase and sale of the Acquired Assets (as defined in Section 2.1 of the Stalking Horse Agreement) to the Stalking Horse Purchaser, on the terms and subject to the conditions provided therein. A copy of the Stalking Horse Agreement is attached as an exhibit to the Sale Motion. As further outlined herein, the Stalking Horse Purchaser is entitled to Credit Bid a portion or all of its DIP Lien Claims (as defined herein).

I. ASSETS TO BE SOLD; PERMITTED ASSET GROUPS

The Stalking Horse Agreement is an offer to purchase the Acquired Assets, which comprise substantially all of the Sellers' assets. A party may participate in the bidding process by submitting a Bid (as defined below) on all or substantially all of the Acquired Assets or one or more of the following categories of assets (a "Permitted Asset Group"):

(a) the Debtors' Bauer hockey business unit;

(b) the Debtors' diamond sports business unit (including baseball and softball); and

(c) the Debtors' lacrosse business unit.

All of the Sellers' right, title and interest in and to the Acquired Assets or a Permitted Asset Group shall be sold free and clear of any pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon (collectively, the "Liens"), with such Liens to attach to the proceeds of the sale of the Acquired Assets or a Permitted Asset Group with the same validity and priority as such Liens applied against the Acquired Assets or a Permitted Asset Group, except as otherwise specifically provided in the Stalking Horse Agreement or a Modified Asset Purchase Agreement (as defined below) submitted by a Successful Bidder (as defined below) (including any exhibits or schedules thereto) and reflected in the Sale Orders.

II. THE CONSULTATION PARTIES

The Sellers shall consult with Ernst & Young Inc., in its capacity as the court-appointed Monitor of the Canadian Proceedings (the "Monitor"), the official committee of unsecured creditors (the "Creditors Committee") appointed by the U.S. Trustee in the Chapter 11 Cases, the official committee of equity security holders appointed by the U.S. Trustee in the Chapter 11 Cases, and Bank of America, N.A., in its capacity as Prepetition ABL Agent and ABL DIP Agent, and each of their respective counsel and advisors (each, a "Consultation Party" and collectively, the "Consultation Parties") as explicitly provided for in the Bidding Procedures; provided, however, that the Sellers shall not be required to consult with any Consultation Party during the Auction process to the extent such Consultation Party has submitted a Bid (as defined below) or has had a Bid submitted on its behalf for so long as such Bid remains open, if the Sellers determine, in their reasonable business judgment, that consulting with such Consultation Party regarding any issue, selection or determination would be likely to have a chilling effect on potential bidding or otherwise be contrary to the goal of maximizing value for the Sellers' estates from the sale process.

To the extent the Bidding Procedures require the Sellers to consult with any Consultation Party in connection with making a determination or taking an action, or in connection with any other matter related to the Bidding Procedures or the Auction, the Sellers shall do so in a regular and timely manner prior to making such determination or taking such action.

Subject to the terms of any Orders entered in the Proceedings, after consultation with the Consultation Parties, the Sellers shall have the right and obligation to make all decisions regarding Bids and the Auction as provided herein as it determines to be in the best interest of their estates, whether or not Consultation Parties agree with that decision.

III. BIDDING PROCESS

A. Overview

The Sellers and their advisors shall, subject to the other provisions of these Bidding Procedures, including the consultation obligations set forth herein:

1. coordinate the efforts of Preliminary Interested Investors (as defined below) in conducting their due diligence investigations;
2. receive offers from Bidders (as defined below);
3. determine whether any person is a Qualified Bidder (as defined below); and
4. conduct the Auction and further negotiate any offers made to purchase the Acquired Assets or a Permitted Asset Group.

B. Key Dates For Potential Competing Bidders

The Bidding Procedures provide interested parties with the opportunity to qualify for and participate in the Auction to be conducted by the Sellers and to submit competing bids for the Acquired Assets or a Permitted Asset Group. The Sellers shall assist Preliminary Interested Investors in conducting their respective due diligence investigations and shall accept Bids until **January 25, 2017 at 5:00 p.m. (prevailing Eastern Time)** (the "Bid Deadline"). The key dates for the Sale process are as follows:[3]

[3] These dates are subject to extension or adjournment as provided for herein and in consultation with the Consultation Parties.

Wed. Jan. 25, 2017 at 5:00 p.m. EDT	Bid Deadline - Due Date to submit a Qualified Bid and Good Faith Deposit (each as defined below)
Mon. Jan. 30, 2017 at 10:00 a.m. EDT	Auction, which will be held at Paul, Weiss, Rifkind, Wharton & Garrison, LLP, 1285 Avenue of the Americas, New York, New York, 10019
Mon. Feb. 6, 2017 at 10:00 a.m. EDT	Sale Hearing, which will be conducted in the US and Canada, jointly, concurrently or as otherwise determined by the Courts: (a) the Ontario Superior Court of Justice (Commercial List), 330 University Avenue, 8th Floor, Toronto, Ontario Canada M5G 1R8; and (b) the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 5th Floor, Courtroom 5, Wilmington, Delaware 19801

C. Access to Diligence Materials

To participate in the bidding process to effectuate a sale transaction for all or substantially all of the Acquired Assets or a Permitted Asset Group (an "Alternate Transaction") and to receive access to due diligence materials (the "Diligence Materials"), a party must submit to the Sellers an executed confidentiality agreement in such form as is acceptable to the Sellers and provide preliminary evidence satisfactory to the Sellers and their advisors of such party's financial wherewithal to consummate an Alternate Transaction.

A party who executes such a confidentiality agreement for access to Diligence Materials, and provides such preliminary evidence of financial wherewithal, shall be a "Preliminary Interested Investor." The Sellers will afford any Preliminary Interested Investor the time and opportunity to conduct reasonable due diligence in accordance with a diligence protocol determined by the Sellers and their advisors; provided, however, that the Sellers shall not be obligated to furnish any due diligence information after the Bid Deadline to any party that has not submitted a Qualified Bid (as defined below) on or before the Bid Deadline and may, in consultation with the Consultation Parties (as defined below), limit the amount of further due diligence available to Qualified Bidders after the Bid Deadline.

The Sellers reserve the right to withhold any Diligence Materials that the Sellers, in consultation with the Consultation Parties, determine are business-sensitive or otherwise not appropriate for disclosure to a Preliminary Interested Investor who is a competitor or customer of the Sellers or is affiliated with any competitor or customer of the Sellers. Neither the Sellers nor their representatives shall be obligated to furnish information of any kind whatsoever to any person that is not determined to be a Preliminary Interested Investor; provided however that

Sellers shall provide the Stalking Horse Purchaser with access to the Diligence Materials which are provided to Preliminary Interested Investors.

All due diligence requests must be directed to Centerview Partners LLP, Attn: Marc Puntus (mpuntus@centerviewpartners.com).

D. Due Diligence from Bidders

Each Preliminary Interested Investor and each Bidder shall comply with all reasonable requests for additional information and due diligence access by the Sellers or their advisors regarding such Preliminary Interested Investor or Bidder, as applicable, and its contemplated transaction. Failure by a Preliminary Interested Investor or Bidder (other than the Stalking Horse Purchaser) to comply with requests for additional information and due diligence access may be a basis for the Sellers to determine that such Bidder is not a Qualified Bidder.

IV. AUCTION QUALIFICATION PROCESS

A. Qualifying Bids

To be eligible to participate in the Auction, each offer, solicitation or proposal (each, a "Bid"), and each party submitting such a Bid (other than the Stalking Horse Purchaser) (each, a "Bidder"), must be reasonably determined by the Sellers, in consultation with the Consultation Parties, to satisfy each of the following conditions:

1. Good Faith Deposit: Each Bid must be accompanied by a cash deposit, paid by wire transfer of immediately available funds, in the amount of three percent (3%) of the purchase price (excluding any Assumed Liabilities) contained in the Modified Asset Purchase Agreement (as defined below), which deposit shall be held in an interest-bearing escrow account to be identified and established by the Sellers (the "Good Faith Deposit").

2. Same or Better Terms: In connection with any Bid for the Acquired Assets, such Bid must be on terms that the Sellers, in their business judgment and after consulting with the Consultation Parties, determine are the same or better for the Sellers than the terms of the Stalking Horse Agreement. In connection with any Bid for one or more of a Permitted Asset Group, such Bid, together with any other Bid (if any) for the remaining Permitted Asset Groups, must be on terms that the Sellers, in their business judgment and after consulting with the Consultation Parties, determine are either on their own or in aggregate, the same or better for the Sellers than the terms of the Stalking Horse Agreement.

   For the avoidance of doubt, any Bid for a Permitted Asset Group must, either on its own or when considered together with another Bid(s) for a Permitted Asset Group (if any), provide value in excess of the Minimum Bid Amount set forth below.

3. Executed Agreement: Each Bid must be based on the Stalking Horse Agreement and must include binding, executed, irrevocable transaction documents, signed by an authorized representative of such Bidder, pursuant to which the Bidder proposes to effectuate an Alternate Transaction (a "Modified Asset Purchase Agreement"). A Bid must also include a copy of the Modified Asset Purchase Agreement (including all exhibits thereto) marked against the Stalking Horse Agreement to show all changes requested by the Bidder (including those related to purchase price and to remove any provisions that apply only to the Stalking Horse Purchaser, such as the expense reimbursement and break-up fee provisions contained in the Stalking Horse Agreement, which terms shall not be in any Modified Asset Purchase Agreement). Each Modified Asset Purchase Agreement must provide a representation that the Qualified Bidder will (i) make all necessary filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), if applicable, and (ii) submit and pay the fees associated with all necessary filings under the HSR Act as soon as reasonably practicable; provided, however, that the timing and likelihood of receiving HSR Act approval will be a consideration in determining the highest and best Bid.

4. Scope of Bid: A Bid must be for all or substantially all of the Acquired Assets or a Permitted Asset Group.

5. Minimum Bid: A Bid for the Acquired Assets must have a purchase price that, in the Sellers' reasonable business judgment (after consultation with the Consultation Parties), has a value greater than the sum of (i) \$575,000,000; *plus* (ii) the amount by which any changes to the Stalking Horse Agreement reflected in the Modified Asset Purchase Agreement (through changes to the Assumed Liabilities, Excluded Liabilities, the Specified Assumed Liability Deduction Amount or otherwise) included in such Bid provide less value to the Sellers than that which Sellers receive under the Stalking Horse Agreement; *plus* (iii) \$5,000,000; *plus* (iv) the Bid Protections (as defined in the Bidding Procedures Order) totaling \$20,750,000 (the sum of (i) to (iv), the "Minimum Bid Amount").

   A Bid for a Permitted Asset Group must, either on its own or when considered together with another Bid(s) for a Permitted Asset Group (if any), provide value in excess of the Minimum Bid Amount.

   The Minimum Bid Amount may include cash and non-cash consideration, which forms of consideration shall be valued by the Debtors, in consultation with the Consultation Parties; provided, however, that the cash portion of such Bid must suffice to repay in full all obligations under the Debtors' debtor-in-possession financing facilities, administrative and priority claims, and prepetition secured claims outstanding at the closing of the Sale, and the amount of cash consideration included in such Bid, as compared to other Bids, shall be considered by the Debtors as an assessment criteria at the Auction.

6. Designation of Assigned Contracts and Leases: A Bid must identify the executory contracts and unexpired leases with respect to which the Bidder seeks assignment from the Sellers.

7. Designation of Assumed Liabilities: A Bid must identify all liabilities which the Bidder proposes to assume.

8. Corporate Authority: A Bid must include written evidence reasonably acceptable to the Sellers demonstrating appropriate corporate authorization to consummate the proposed Alternate Transaction; provided that, if the Bidder is an entity specially formed for the purpose of effectuating the Alternate Transaction then the Bidder must furnish written evidence reasonably acceptable to the Sellers of the approval of the Alternate Transaction by the equity holder(s) of such Bidder.

9. Disclosure of Identity of Bidder: A Bid must fully disclose the identity of each entity that will be bidding for or purchasing the Acquired Assets or a Permitted Asset Group, including any equity holders in the case of a Bidder which is an entity specially formed for the purpose of effectuating the contemplated transaction, or otherwise participating in connection with such Bid (including any co-bidder or team bidder), and the complete terms of any such participation, including any agreements, arrangements or understandings concerning a collaborative or joint bid or any other combination concerning the proposed Bid. A Bid must also fully disclose any connections or agreements with the Sellers, the Stalking Horse Purchaser or any other known, potential, prospective Bidder or Qualified Bidder, and/or any officer, director or equity security holder of the Sellers.

10. Proof of Financial Ability to Perform: A Bid must include detailed, written evidence that the Sellers may conclude, in consultation with their advisors and the Consultation Parties, demonstrates that the Bidder has and will continue to have the necessary financial ability to close the Alternate Transaction and comply with section 365 of the Bankruptcy Code and the relevant provisions of the CCAA, including providing adequate assurance of future performance under all contracts to be assumed and assigned in such Alternate Transaction. Such information must include, *inter alia*, the following:

    (a) contact names and numbers for verification of financing sources;

    (b) evidence of the Bidder's internal resources and proof of unconditional debt funding commitments from a recognized banking institution and, if applicable, equity commitments in an aggregate amount equal to the cash portion of such Bid or the posting of an irrevocable letter of credit from a recognized banking institution issued in favor of the Sellers in the amount of the cash portion of such Bid as are needed to close the Alternate Transaction;

(c) the Bidder's current financial statements (audited if they exist) or other similar financial information reasonably acceptable to the Sellers;

(d) a description of the Bidder's pro forma capital structure; and

(e) any such other form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Sellers, in consultation with the Consultation Parties, demonstrating that such Bidder has the ability to close the Alternate Transaction.

11. Regulatory and Third Party Approvals: A Bid must set forth each regulatory and third-party approval required for the Bidder to consummate the Alternate Transaction, and the time period within which the Bidder expects to receive such regulatory and third-party approvals, and those actions the Bidder will take to ensure receipt of such approvals as promptly as possible.

12. Contact Information and Affiliates: A Bid must provide the identity and contact information for the Bidder and full disclosure of any affiliates of the Bidder.

13. Contingencies: Each Bid (a) may not contain representations and warranties, covenants, or termination rights materially more onerous in the aggregate to the Sellers than those set forth in the Stalking Horse Agreement, as determined by the Sellers, in consultation with the Consultation Parties, in good faith, and (b) may not be conditioned on obtaining financing, any internal approvals or credit committee approvals, or on the outcome or review of due diligence, including with respect to any environmental, employee, labor, health and/or safety matters.

14. Irrevocable: Each Bid must be irrevocable until ten (10) business days after the conclusion of the Sale Hearing; provided that if such Bid is accepted as the Successful Bid or the Backup Bid (each as defined herein), such Bid shall continue to remain irrevocable until the earlier of the closing of the Sale or the Extended Outside Date (as defined below).

15. Compliance with Diligence Requests: The Bidder submitting the Bid must have complied with reasonable requests for additional information and due diligence access from the Sellers to the reasonable satisfaction of the Sellers, in consultation with the Consultation Parties.

16. As-Is, Where-Is: Each Bid must include a written acknowledgement and representation that the Bidder: (i) has had an opportunity to conduct any and all due diligence regarding the Acquired Assets or a Permitted Asset Group prior to making its offer; (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Acquired Assets or Permitted Asset Group in making its Bid; and (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Acquired Assets or a Permitted Asset Group or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in the Stalking Horse Agreement.

17. Confidentiality Agreement: To the extent not already executed, the Bid must include an executed confidentiality agreement in a form acceptable to the Sellers.

18. Termination Fees: The Bid (other than the Bid pursuant to the Stalking Horse Agreement) must not entitle the Bidder to any break-up fee, termination fee, expense reimbursement or similar type of payment or reimbursement and, by submitting the Bid, the Bidder waives the right to pursue a substantial contribution claim under 11 U.S.C. § 503 or under the CCAA related in any way to the submission of its Bid or participation in any Auction.

19. Adherence to Bid Procedures: By submitting its Bid, each Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction

20. Closing Date: The Bid must include a commitment to close the transactions contemplated by the Modified Asset Purchase Agreement by no later than **February 23, 2017** and include the same provisions with respect to the Outside Date and Extended Outside Date (each as defined in the Stalking Horse Agreement) as set forth in the Stalking Horse Agreement; provided, however, that the Extended Outside Date is no later than **February 27, 2016**.

21. Time Frame for Closing: The Bid must be reasonably likely (based on availability of financing, antitrust, or other regulatory issues, experience, and other considerations) to be consummated within a time frame acceptable to the Sellers, in consultation with the Consultation Parties.

22. No Late Bids. Unless otherwise ordered by a Court, the Sellers shall not consider any Bids submitted after the conclusion of the Auction and any and all such bids shall be deemed untimely and shall under no circumstances constitute a Qualified Bid.

23. Bid Notice: The following parties must receive a Bid in writing (in both PDF and Word format), on or before the Bid Deadline:

(a) the Sellers, 100 Domain Dr., Exeter, New Hampshire 03885, Attention: Michael J. Wall, Esq. (Michael.Wall@bauer.com);

(b) US counsel to the Sellers, Paul, Weiss, Rifkind, Wharton & Garrison, LLP, 1285 Avenue of the Americas, New York, New York, 10019, Attention: Kelley A. Cornish (kcornish@paulweiss.com) and Alice Eaton (aeaton@paulweiss.com); and Young Conaway Stargatt & Taylor LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801, Attention: Pauline Morgan (pmorgan@ycst.com);

(c) Canadian counsel to the Sellers, Stikeman Elliot LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, ON, Canada M5L 1B9, Attention: Maria Konyukhova (mkonyukhova@stikeman.com) and Jonah Mann (jmann@stikeman.com);

(d) financial advisor to the Sellers, Centerview Partners, 31 West 52nd Street New York, N.Y. 10019, Attention: Marc Puntus (mpuntus@centerviewpartners.com);

(e) the Monitor, Ernst & Young Inc., 222 Bay Street, Toronto, ON, M5K IJ7, Attention: Brian Denega (brian.m.denega@ca.ey.com);

(f) U.S. counsel to the Monitor, Allen & Overy LLP, 1221 Avenue of the Americas, New York, NY, 10020, Attention: Ken Coleman (Ken.Coleman@AllenOvery.com);

(g) Canadian counsel to the Monitor, Thornton Grout Finnigan LLP, 100 Wellington Street West, Suite 3200, Toronto, ON, M5K IK7, Attention: Robert Thornton (rthornton@tgf.ca), D.J. Miller (djmiller@tgf.ca) and Rachel Bengino (rbengino@tgf.ca);

(h) U.S. counsel to Bank of America, N.A., in its capacity as Prepetition ABL Agent and ABL DIP Agent, Choate Hall & Stewart LLP, Two International Place, Boston, MA 02110, Attn: John F. Ventola (jventola@choate.com) and Douglas R. Gooding (dgooding@choate.com);

(i) Canadian counsel to Bank of America, N.A., in its capacity as Prepetition ABL Agent and ABL DIP Agent, Norton Rose Fulbright, Suite 3800, Royal Bank Plaza, South Tower, 200 Bay Street, P.O. Box 84, Toronto, Ontario M5J 2Z4, Canada, Attn: David M.A. Amato (david.amato@nortonrosefulbright.com) and Serge Levy (serge.levy@nortonrosefulbright.com);

(j) U.S. counsel to the Creditors Committee, Blank Rome LLP, 1201 Market Street, Suite 800, Wilmington, DE 19801, Attention: Andrew B. Eckstein (AEckstein@blankrome.com), Michael B. Schaedle (Schaedle@ blankrome.com) and Stanley B. Tarr (tarr@blankrome.com);

(k) Canadian counsel to the Creditors Committee, Cassels Brock & Blackwell LLP, 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada M5H 3C2, Attention: Ryan C. Jacobs (rjacobs@casselsbrock.com), Shayne Kukulowicz (skukulowicz@casselsbrock.com) and Natlie E. Levine (nlevine@casselsbrock.com);

(l) financial advisor to the Creditors Committee, Province Inc., 2360 Corporate Circle, Suite 330, Henderson, N.V. 89074, Attention: Paul Huygens (phuygens@provincefirm.com) and Peter Kravitz (pkravitz@provincefirm.com);

(m) U.S. counsel to the Equity Committee, Brown Rudnick LLP, Seven Times Square, New York, NY 10036, Attention: Robert J. Stark (rstark@brownrudnick.com) and Steven B. Levine (slevine@brownrudnick.com);

(n) Canadian counsel to the Equity Committee, McMillan LLP, Brookfield Place, Suite 4400, 181 Bay Street, Toronto, Ontario, Canada M5J 2T3, Attention: Andrew J.F. Kent (andrew.kent@mcmillan.ca); and

(o) financial advisor to the Equity Committee, Houlihan Lokey, Inc., 100 Crescent Ct., Suite 900, Dallas, TX 75201: Attention Adam L. Dunayer (ADunayer@HL.com) and Justin Zammit (JZammit@HL.com).

A Bid received from a Bidder before the Bid Deadline that meets all of the above requirements for the Acquired Assets or a Permitted Asset Group shall constitute a "Qualified Bid" and such Bidder shall constitute a "Qualified Bidder"; provided that if the Sellers receive a Bid prior to the Bid Deadline that is not a Qualified Bid, the Sellers may, in consultation with the Consultation Parties, provide the Bidder with the opportunity to remedy any deficiencies prior to the Auction; provided, further, that, for the avoidance of doubt, if any Qualified Bidder fails to comply with reasonable requests for additional information and due diligence access from the Sellers to their satisfaction, the Sellers, in consultation with the Consultation Parties, may disqualify any Qualified Bidder and Qualified Bid, in the Sellers' discretion and such Bidder shall not be entitled to attend or participate in the Auction; and provided further, however, that a Bid or Bids for a Permitted Asset Group shall be considered in aggregate by the Debtors, in consultation with the Consultation Parties, with other Bid(s) for Permitted Asset Groups for purposes of the Auction and selecting the Successful Bidder.

Any amendments, supplements or other modifications to any Bids (including pursuant to this paragraph) shall be delivered to the parties listed in paragraph 23 above as provided therein. All Qualified Bids will be considered, but the Sellers reserve their right to reject any or all bids, in consultation with the Consultation Parties. However, bids that are unconditional and contemplate sales that may be consummated on or soon after the Sale Hearing are preferred. Additionally, notwithstanding anything herein to the contrary, the Stalking Horse Agreement submitted by the Stalking Horse Purchaser shall be deemed a Qualified Bid, and the Stalking Horse Purchaser a Qualified Bidder. The Sellers shall inform counsel to the Consultation Parties, counsel to the Stalking Horse Purchaser, and any Qualified Bidders whether the Sellers consider any Bid to be a Qualified Bid as soon as practicable but in no event later than one day before the Auction.

Each Qualified Bidder, by submitting a Bid, shall be deemed to acknowledge and agree that it is not relying upon any written or oral statements, representations, promises, warranties or guarantees of any kind whether expressed or implied, by operation of law or otherwise, made by any person or party, including the Sellers and their agents and representatives (other than as may be set forth in a definitive agreement executed by the Sellers), regarding the Sellers, any of the Acquired Assets or a Permitted Asset Group, the Auction, these Bidding Procedures or any information provided in connection therewith.

Without the consent of the Sellers, a Qualified Bidder may not amend, modify or withdraw its Bid, except for proposed amendments to increase the amount or otherwise improve the terms of the Bid, during the period that such Bid is required to remain irrevocable and binding.

V. AUCTION

A. Auction

If one or more Qualified Bids (other than the Stalking Horse Agreement) are submitted by the Bid Deadline, the Sellers will conduct the Auction to determine the highest or otherwise best Qualified Bid with respect to the Acquired Assets or a Permitted Asset Group.

B. Assessment Criteria

The Sellers' determination of the highest or otherwise best Qualified Bid with respect to the Acquired Assets or Permitted Asset Group shall take into account any factors the Sellers, in consultation with the Consultation Parties, reasonably deem relevant to the value of the Qualified Bid to the estates and may include, but are not limited to, the following:

1. the amount and nature of the consideration, including any assumed liabilities;

2. the type and nature of any modifications to the Stalking Horse Agreement, as applicable, requested by each Bidder in such Bidder's Modified Asset Purchase Agreement;

3. the extent to which such modifications are likely to delay closing of the sale of the applicable asset(s) and the cost to the Sellers of such modifications or delay;

4. the total consideration to be received by the Sellers and the net consideration to be received by the Sellers after taking into account the Stalking Horse Purchaser's Bid Protections with respect to each round of bidding;

5. the extent to which the Designated Contracts and the undertakings with respect to Assigned Contracts in a Modified Asset Purchase Agreement differ from those under the Stalking Horse Agreement, including the extent to which a Bidder's undertakings with respect to the material Designated Contacts under a Modified Asset Purchase Agreement provide greater certainty as of the Auction in connection with the likelihood of their assumption or rejection or existence of contingent rejection claims against the Debtors' estates than under the Stalking Horse Agreement;

6. the likelihood of the Bidder's ability to close a transaction and the timing thereof;

7. the net benefit to the Sellers' estates (collectively, the "Bid Assessment Criteria").

C. Cancellation of the Auction

If no timely, conforming Qualified Bids (other than the Qualified Bid submitted by the Stalking Horse Purchaser) for the Acquired Assets or a Permitted Asset Group are received, the Auction for the Acquired Assets or a Permitted Asset Group shall be canceled and the Stalking Horse Agreement shall be the Successful Bid for the Acquired Assets and the Stalking Horse Purchaser shall be the Successful Bidder for the Acquired Assets.

VI. PROCEDURES FOR THE AUCTION

If one or more Qualified Bids (other than the Stalking Horse Agreement) for all or substantially all of the Acquired Assets or a Permitted Asset Group are submitted by the Bid Deadline, the Sellers shall commence the Auction on **Mon. Jan. 30, 2017 at 10:00 a.m.** (prevailing Eastern Time) at the offices of Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York, 10019 or such other place and time as the Sellers shall notify all Qualified Bidders and the Consultation Parties.

The Auction shall be conducted according to the following procedures:

A. Participation

Only the Sellers, the Consultation Parties, the Stalking Horse Purchaser and any other Qualified Bidder, in each case, along with their representatives and counsel, may attend the Auction (such attendance to be in person) and only the Stalking Horse Purchaser and such other

Qualified Bidders will be entitled to make any Bids at the Auction; provided, however, that any other material creditor may attend (but not participate in) the Auction if it provides the Sellers written notice of its intention to attend the Auction on or before the Bid Deadline. Such written notice must be sent to counsel for the Sellers via electronic mail to Kevin O'Neill (koneill@paulweiss.com).

B. The Sellers Shall Conduct the Auction

The Sellers and their advisors shall direct and preside over the Auction and the Auction shall be transcribed. Other than as expressly set forth herein, the Sellers (in consultation with the Consultation Parties) may conduct the Auction in the manner they reasonably determine will result in the highest or otherwise best Qualified Bids.

Prior to commencement of the Auction, the Sellers shall provide each Qualified Bidder participating in the Auction with a copy of the Modified Asset Purchase Agreement that is the highest or otherwise best Qualified Bid as determined by the Sellers (such highest or otherwise best Qualified Bid, the "Auction Baseline Bid").

In addition, at the start of the Auction, the Sellers shall describe the terms of the Auction Baseline Bid. Each Qualified Bidder participating in the Auction must confirm that it (1) has not engaged in any collusion with respect to the bidding or sale of any of the assets described herein, (2) has reviewed, understands and accepts the Bidding Procedures and (3) has consented to the core jurisdiction of the Courts.

Before submitting any Bid with co-bidding or team bidding arrangements, whether formal or informal, among a Qualified Bidder and any third party (including any other Preliminary Interested Investor or Qualified Bidder) (such a Bid, a "Joint Bid"), each Qualified Bidder must disclose such Joint Bid to the Sellers, and the Sellers shall determine, in their discretion, whether the Joint Bid constitutes a Qualified Bid for purposes of participating in the Auction. The identity of any and all co-bidders or team bidders involved in submitting any Joint Bid, if the Sellers determine that such Joint Bid constitutes a Qualified Bid, shall be disclosed on the record at the Auction.

The Sellers shall consult in good faith with the Consultation Parties throughout the Auction process to the extent reasonably practicable. Any rules developed by the Sellers will provide that all bids will be made and received in one room, on an open basis, and all other Bidders will be entitled to be present for all bidding with the understanding that the true identity of each Bidder will be fully disclosed to all other Bidders and that all material terms of each Qualified Bid submitted in response to the Auction Baseline Bid, or to any successive bids made at the Auction, will be fully disclosed to all other Bidders bidding throughout the entire Auction, and each Qualified Bidder will be permitted what the Sellers determine to be an appropriate amount of time to respond to the previous bid at the Auction.

C. Terms of Overbids

An "Overbid" is any bid made at the Auction subsequent to the Sellers' announcement of the Auction Baseline Bid. To submit an Overbid for purposes of this Auction, a Bidder must comply with the following conditions:

1. Minimum Overbid Increments: Any Overbid for all or substantially all of the Acquired Assets or a Permitted Asset Group after and above the Auction Baseline Bid shall be made in increments valued at not less than \$1 million (or such other amount as shall be announced at the Auction) in cash or in cash equivalents, or other forms of consideration acceptable to the Sellers.

2. Credit Bidding: Holders of DIP Lien Claims (defined below) shall be entitled to submit Overbids in cash, cash equivalents or other forms of consideration, as described above, or additional credit bid amounts up to the aggregate amount of any outstanding obligations under the DIP Credit Agreements (including any accrued but unpaid prepetition interest) to the extent permitted by applicable law, provided that only the Stalking Horse Purchaser may credit bid the amount of the Bid Protections (collectively, the "DIP Lien Claims").

3. Prepetition Term Loan Agent May Credit Bid: To the extent that any Prepetition Senior Liens remain outstanding at the time of the Auction, the Prepetition Term Loan Agent or any acquisition vehicle formed by the Prepetition Term Loan Agent that is assigned the Prepetition Senior Liens (a "Term Loan Acquisition Vehicle") shall be Qualified Bidders and may submit Overbids in cash, cash equivalents or other forms of consideration, including a credit bid to the extent permitted under and consistent with section 363(k) of the Bankruptcy Code and the CCAA.

4. Remaining Terms Are the Same as for Qualified Bids: Except as modified herein, an Overbid at the Auction must comply with the conditions for a Qualified Bid set forth above, provided, however, that the Bid Deadline shall not apply. Any Overbid must include, in addition to the amount and the form of consideration of the Overbid, a description of all changes requested by the Bidder to the Stalking Horse Agreement or Modified Asset Purchase Agreement, as the case may be, in connection therewith. Any Overbid must remain open and binding on the Bidder as provided herein.

5. Qualified Bids for Permitted Asset Groups. To participate in the Auction, a Bid for a Permitted Asset Group that is a Qualified Bid at the outset of the Auction (either on its own or when considered along with other Bid(s) for a Permitted Asset Group), must submit Minimum Overbid Increments, and be for value in excess of the Minimum Bid Amount, the Baseline Bid Amount, or Overbid, as applicable, at each subsequent round of the Auction.

6. Non-cash Consideration: An Overbid may include cash and non-cash consideration, which forms of consideration shall be valued by the Debtors, in consultation with the Consultation Parties; provided, however, that the cash portion of such Bid must suffice to repay in full all

obligations under the Debtors' debtor-in-possession financing facilities, administrative and priority claims, and prepetition secured claims outstanding at the closing of the Sale, and the amount of cash consideration included in such Bid, as compared to other Bids, shall be considered by the Debtors as an assessment criteria at the Auction.

At the Sellers' discretion, to the extent not previously provided, a Bidder submitting an Overbid at the Auction must submit, as part of its Overbid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Sellers), reasonably demonstrating such Bidder's ability to close the Alternate Transaction proposed by such Overbid.

D. Announcement and Consideration of Overbids

1. Announcement of Overbids: The Sellers shall announce at the Auction the material terms of each Overbid, the total amount of consideration and form offered in each such Overbid, and the basis for calculating such total consideration. The Sellers shall also provide all terms of each Overbid, including non-economic terms, to the Consultation Parties.

2. Consideration of Overbids: Subject to the deadlines set forth herein, the Sellers reserve the right, in their reasonable business judgment, to make one or more continuances of the Auction to, among other things: facilitate discussions between the Sellers and individual Qualified Bidders; allow individual Qualified Bidders to consider how they wish to proceed; or give Qualified Bidders the opportunity to provide the Sellers with such additional evidence as the Sellers in their reasonable business judgment may require, that the Qualified Bidder has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed Alternate Transaction at the prevailing Overbid amount. When comparing Overbids to the Qualified Bid made by the Stalking Horse Purchaser, the Sellers shall treat the credit bid (including any Overbid) made by the Stalking Horse Purchaser as being made in cash or in cash equivalents.

E. Other Procedures

1. Jurisdiction of the Courts: All Qualified Bidders (including the Stalking Horse Purchaser) at the Auction shall be deemed to have consented to the core jurisdiction of the Courts and waive any right to a jury trial in connection with any disputes relating to the marketing process, the Auction, and the construction and enforcement of the Qualified Bidder's fully executed sale and transaction documents, as applicable.

2. Stalking Horse Purchaser Bid: The Stalking Horse Purchaser shall be entitled to (a) credit bid all or a portion of its DIP Lien Claims, consistent with these Bidding Procedures, Bankruptcy Code section 363(k) and the

CCAA; and (b) submit additional bids and make modifications to the Stalking Horse Agreement at the Auction consistent with these Bidding Procedures.

3. Prepetition Term Loan Agent Bid: To the extent that any Prepetition Senior Liens remain outstanding at the time of the Auction, the Prepetition Term Loan Agent or a Term Loan Acquisition Vehicle shall be Qualified Bidders and may submit bids in cash, cash equivalents or other forms of consideration, including a credit bid to the extent permitted under and consistent with section 363(k) of the Bankruptcy Code and the CCAA.

4. Additional Bids; Modifications: All Qualified Bidders, including the Stalking Horse Purchaser, shall have the right to submit additional bids and make additional modifications to the Stalking Horse Agreement or the Modified Asset Purchase Agreement at the Auction, as applicable, provided that any such modifications to the Stalking Horse Agreement or Modified Asset Purchase Agreement on an aggregate basis and viewed in whole, shall not, in the Sellers' business judgment, be less favorable to the Sellers than the terms of the Stalking Horse Agreement.

5. Subsequent Bids: Each Qualified Bid must submit a subsequent Bid that satisfies the minimum bid increment in each round of bidding to continue participating in the Auction, however, Qualified Bidders shall not be allowed to skip rounds of bidding, otherwise such Qualified Bidder will be prohibited from submitting any subsequent Bid.

F. Additional Procedures

The Sellers (after consulting with the Consultation Parties) may announce at the Auction additional procedural rules that are reasonable under the circumstances for conducting the Auction so long as such rules are not inconsistent in any material respect with the Bidding Procedures or the Stalking Horse Agreement. Any Auction rules adopted by the Sellers will not modify any of the terms of the Stalking Horse Agreement or the rights of the Stalking Horse Purchaser under the Bid Procedures (as may be consensually modified at the Auction) without the consent of the Stalking Horse Purchaser.

G. Sale Is As Is/Where Is

Except as otherwise provided in the Stalking Horse Agreement, any Modified Asset Purchase Agreement or any order by the Courts approving any Sale of the Acquired Assets or a Permitted Asset Group as contemplated hereunder, the Acquired Assets or a Permitted Asset Group sold pursuant to the Bidding Procedures shall be conveyed at the closing of the purchase and sale in their then-present condition, "**AS IS, WITH ALL FAULTS, AND WITHOUT ANY WARRANTY WHATSOEVER, EXPRESS OR IMPLIED.**"

H. Closing the Auction

The Auction shall continue in additional rounds of bidding until the Sellers select, after consultation with the Consultation Parties, the Bid that is the highest or otherwise best offer for all or substantially all of the Acquired Assets or a Permitted Asset Group (a "Successful Bid," and the Bidder submitting such Successful Bid, a "Successful Bidder"). The Successful Bidder shall have the rights and responsibilities of the purchaser as set forth in the Stalking Horse Agreement or Modified Asset Purchase Agreement. In selecting each Successful Bid, the Sellers, in consultation with the Consultation Parties, shall consider the Bid Assessment Criteria.

The Auction for the Acquired Assets or a Permitted Asset Group shall close when the Successful Bidder submits a fully executed sale and transaction documents memorializing the terms of its Successful Bid.

Promptly following the Sellers' selection, after consulting with the Consultation Parties, of the Successful Bid and the conclusion of the Auction, the Sellers shall announce the Successful Bid and the Successful Bidder and shall file with the Courts notice of the Successful Bid and the Successful Bidder.

The Sellers shall not consider any Bids submitted after the conclusion of the Auction.

I. Backup Bidder

Notwithstanding anything in the Bidding Procedures to the contrary, if an Auction is conducted, the Qualified Bidder with the next highest or otherwise best Bid at the Auction with respect to all or substantially all of the Acquired Assets or a Permitted Asset Group, as determined by the Sellers, in the exercise of their business judgment and after consulting with the Consultation Parties, will be designated as the backup bidder (the "Backup Bidder"). The Backup Bidder shall be required to keep its last submitted Bid (the "Backup Bid") open and irrevocable until the closing of the transaction with the Successful Bidder.

Following the Sale Hearing, if the Successful Bidder fails to consummate the purchase of the Acquired Assets or a Permitted Asset Group, the Sellers may deem the Backup Bidder to have the new Successful Bid, and the Sellers will be authorized, without further order of the Courts, to consummate the transaction with such Backup Bidder at the price of its last bid. Such Backup Bidder will be deemed to be the Successful Bidder and the Sellers will be authorized, but not directed, to effectuate a sale to such Backup Bidder subject to the terms of the Backup Bid without further order of the Courts. All Qualified Bids (other than the Successful Bid and the Backup Bid) shall be deemed rejected by the Sellers on and as of the date that the Courts approve the Bid as the Successful Bid. The Sellers, on their behalf and on behalf of each of their respective estates, specifically reserve the right to seek all available damages, including specific performance, from any defaulting Successful Bidder (including any Backup Bidder designated as a Successful Bidder) in accordance with the terms of the Bidding Procedures; provided, however, that the Good Faith Deposit shall be the sole and exclusive monetary remedy and liquidated damages of the Sellers for any default by a Successful Bidder under the Bidding Procedures.

For the avoidance of doubt, in the event that there is a Successful Bidder (other than the Stalking Horse Purchaser) with respect to all or substantially all of the Acquired Assets, or the Permitted Asset Group(s), the Stalking Horse Purchaser will be deemed to be the Backup Bidder at the price of its last overbid with respect to the Acquired Assets and will be subject to the terms contained in the immediately preceding paragraph.

VII. BID PROTECTIONS

Pursuant to the Bidding Procedures Order, the Stalking Horse Purchaser is entitled to the Bid Protections in the amounts set forth in, and in accordance with the terms of, the Stalking Horse Agreement and the Bidding Procedures Order.

Pursuant to the Bidding Procedures Order, except for the Stalking Horse Purchaser, no other party submitting an offer or Bid or a Qualified Bid shall be entitled to any expense reimbursement, breakup fee, termination or similar fee or payment.

The Stalking Horse Purchaser shall have standing to appear and be heard on all issues related to the Auction, the Sale, and related matters, including the right to object to the sale of the Acquired Assets or a Permitted Asset Group or any portion thereof (including the conduct of the Auction and interpretation of these Bidding Procedures Order).

SALE HEARING

The Successful Bid and Backup Bid (or, if no Qualified Bid other than that of the Stalking Horse Purchaser is received, then the Stalking Horse Agreement) will be subject to approval by the Courts. The sale hearings to approve the Successful Bid and any Backup Bid (or, the Stalking Horse Agreement for the Acquired Assets, if no Qualified Bid other than that of the Stalking Horse Purchaser is received) shall take place on **February 6, 2017** at **10:00 a.m. (EDT)** before the Courts (the "Sale Hearing"). A joint hearing before both courts may take place.

VIII. RETURN OF GOOD FAITH DEPOSITS

The Good Faith Deposits of all Qualified Bidders (other than the Stalking Horse Purchaser) shall be held in one or more interest-bearing escrow accounts by the Sellers, but shall not become property of the Sellers' estates absent further order of the Courts or as expressly provided below. The Good Faith Deposit of any Qualified Bidder that is neither a Successful Bidder nor a Backup Bidder shall be returned to such Qualified Bidder not later than five (5) business days after the conclusion of the Sale Hearing. The Good Faith Deposit of a Backup Bidder, if any, shall be returned to such Backup Bidder no later than seventy-two (72) hours after the closing of the transaction with the Successful Bidder. Upon the return of the Good Faith Deposits, their respective owners shall receive any and all interest that will have accrued thereon. If the Successful Bidder timely closes on the winning transaction, its Good Faith Deposit shall be credited towards the applicable purchase price. If the Successful Bidder (or Backup Bidder, if applicable) fails to consummate an Alternate Transaction because of a breach or failure to perform on the part of such Successful Bidder (or Backup Bidder, if applicable), the Sellers will not have any obligation to return the Good Faith Deposit deposited by such Successful Bidder (or Backup Bidder, if applicable), and such Good Faith Deposit shall irrevocably become property of the Sellers. The Good Faith Deposit of the Stalking Horse Purchaser shall be held in an escrow account as provided in the Stalking Horse Agreement and shall be returned to the Stalking Horse Purchaser in accordance with the Stalking Horse Agreement.

IX. RESERVATION OF RIGHTS OF THE SELLERS

Except as otherwise provided in the Stalking Horse Agreement, the Bidding Procedures or the Bidding Procedures Order, the Sellers further reserve the right as they may reasonably determine to be in the best interest of their estates, in consultation with the Consultation Parties:

A. determine which Bidder(s) is a Qualified Bidder(s);

B. determine which Bid(s) is a Qualified Bid(s);

C. determine which Qualified Bid is the highest or best proposal for the Acquired Assets or a Permitted Asset Group and which is the next highest or best proposal for the Acquired Assets or a Permitted Asset Group;

D. reject any Bid that is (1) inadequate or insufficient, (2) not in conformity with the requirements of the Bidding Procedures or the requirements of the Bankruptcy Code or (3) contrary to the best interests of the Sellers and their estates;

E. impose additional terms and conditions with respect to all potential Bidders;

F. extend the deadlines set forth herein; and

G. modify the Bidding Procedures and implement additional procedural rules that the Sellers determine, in their business judgment will better promote the goals of the bidding process and discharge the Sellers' fiduciary duties; provided however that any modification or additions to the Bidding Procedures shall not be inconsistent with the Stalking Horse Agreement, the Bidding Procedures Order or any other Order of the Courts, unless agreed in writing by the Stalking Horse Purchaser and Sellers or otherwise ordered by the Courts.