Ernst & Young Inc.
700 West Georgia Street
Vancouver, BC V7Y 1C7

Tel: +1 604 891 8200
Fax: +1 604 899 3530
ey.com

April 27, 2021

To: The Affected Creditors of EncoreFX Inc. ("EncoreFX") with claims of $5,000 or less (the "Below $5,000 Convenience Creditors")

RE: Notice of Amendment to the Plan of Compromise and Arrangement under the *Companies' Creditors Arrangement Act (the "CCAA")* dated April 6, 2021 (the "Plan")

Court File No. S212302

The purpose of this letter is to inform you of an amendment to the Plan (the "**Amended Plan**") to clarify the filing and voting requirements of the Affected Creditors of EncoreFX who qualify as Below $5,000 Convenience Creditors.

Pursuant to the Plan, the Below $5,000 Convenience Creditors are eligible to receive a distribution of 100% of their claim amount upon approval of the Plan by the Affected Creditors and the Supreme Court of British Columbia (the "**Court**"). However, for purposes of voting on the Plan, the Plan requested the Below $5,000 Convenience Creditors to submit Creditor Convenience Forms with Ernst & Young Inc. (the "**Monitor**") prior to May 5, 2021.

Pursuant to the Amended Plan, the Below $5,000 Convenience Creditors are deemed to vote in favour of the Amended Plan and are not required to submit Creditor Convenience Forms with the Monitor. The Below $5,000 Convenience Creditors will receive a distribution of 100% of their claim amount, in full and final satisfaction of their claim against EncoreFX, upon the approval of the Amended Plan by the Affected Creditors and the Court.

Attached to this letter is a copy of the First Amendment to the Plan and a separate document showing the track changes to the Plan as contained in the First Amendment to the Plan.

Should you have any questions in this matter, please feel free to contact Mr. Jason Eckford, a representative of the Monitor, at 604-648-3671 or at jason.eckford@parthenon.ey.com.

ERNST & YOUNG INC.
in its capacity as Monitor of EncoreFX Inc.
and not in its personal or corporate capacity

Per:

Peter Venetsanos, CPA, CA, CIRP, LIT
Vice President

No: S212302
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF ENCOREFX INC.

PETITIONER

FIRST AMENDMENT TO

PLAN OF COMPROMISE AND ARRANGEMENT OF ENCOREFX INC.

WHEREAS EncoreFX Inc. ("**EncoreFX**") is insolvent;

AND WHEREAS on March 30, 2021 EncoreFX obtained an Order from the British Columbia Superior Court ("**Court**") granting EncoreFX creditor protection pursuant to the provisions of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"), and Ernst & Young Inc. was appointed by the Court as the monitor of EncoreFX ("**Monitor**");

AND WHEREAS EncoreFX appended a plan of compromise and arrangement (the "**Original Plan**") as Appendix "B" to an Order granted by the Court on April 8, 2021 authorizing a meeting of EncoreFX's creditors for the purpose of voting on the Original Plan (the "**Creditors Meeting Order**");

AND WHEREAS in accordance with paragraph 8 of the Creditors Meeting Order and Section 10.1 of the Original Plan, the Monitor wishes to make minor amendments to the Original Plan as follows:

i. at Section 5.1 and Subsection 5.2(c) in order to clarify the manner in which certain Convenience Creditors (as defined in the Original Plan at paragraph 5(c)) are treated in respect of same; and

ii. at Appendix "A" in respect of the definition of Service List.

NOW THEREFORE the Monitor hereby presents this First Amendment to the Original Plan under and pursuant to the provisions of the CCAA.

<u>AMENDMENTS TO ORIGINAL PLAN</u>

1. Remove Section 5.1 of the Original Plan in its entirety and replace same with the following:

    5.1 For the purposes of considering and voting on the Plan, each Affected Creditor falls within one of the three (3) Affected Creditor Classes as defined in Section 3.1 of this Plan, being the Secured Creditor, Property Claimants, and GUCs. Each Affected Creditor who is not a Convenience Creditor (as defined below) shall be entitled to vote on the Plan at the Creditor's Meeting, to the extent of the amount of his, her or its Proven Voting Claim. For further clarity, an Affected Creditor asserting a Claim against both EncoreFX and any D&O shall be considered a single creditor for the purposes of voting and distribution under this Plan, and such Affected Creditor shall not be entitled to recover twice in respect of its Claim. GCC, Wrede and BMO have agreed to support and vote in favour of the Plan.

2. Remove Subsection 5.2(c) of the Original Plan in its entirety and replace same with the following:

    5.2(c) In full and final satisfaction of the General Unsecured Claims, the GUCs may elect to receive a distribution from the Current Funds (the "**Unsecured Claim Distributions**") equal to either: (i) 100% of their respective General Unsecured Claim with respect to the first $5,000 of their General Unsecured Claim, or (ii) 16% of their respective General Unsecured Claim. First, for those GUCs who are owed $5,000 or less and who will be paid in full in respect of their Proven Claims, and second, for those GUCs who are owed between $5,000 and $31,250 and who elect to accept $5,000 in full and final satisfaction of their Proven Claims (collectively, the "**Convenience**

Creditors"), then in each such case the Convenience Creditors shall be deemed to have voted in favour of the Plan. For clarity, GUCs who are owed $5,000 or less shall be automatically and irrevocably deemed to: (i) be Convenience Creditors and (ii) have voted in favour of the Plan. The amount of any accepted General Unsecured Claim shall be net of any amounts owing by the GUC to the Estate as determined by the Monitor or the CCAA Court in respect of any "out-of-the-money" positions, or any other debt owed to the Estate by the GUC.

3. Remove the definition of Service List at Appendix "A" of the Original Plan and replace it with the following:

   "**Service List**" means the list of creditors appended as Schedule "A" to the Petition to the Court filed March 11, 2021, as may be amended by the Monitor from time to time, a copy of which is posted to the Monitor's website: www.ey.com/ca/EncoreFX;

4. All other provisions of the Original Plan remain unchanged.

Dated at Vancouver, British Columbia on April 27, 2021.

ENCOREFX INC., by its Court-appointed Monitor, Ernst & Young Inc., and not in its personal capacity

Per: ______________________________
Mike Bell, CPA, CA, CIRP, LIT
Senior Vice President

24881075v1

TRACKED CHANGES FIRST AMENDMENT TO ORIGINAL PLAN

5.1 Voting for Holders of Proven Voting Claims

For the purposes of considering and voting on the Plan, each Affected Creditor falls within one of the three (3) Affected Creditor Classes as defined in Section 3.1 of this Plan, being the Secured Creditor, Property Claimants, and GUCs. Each Affected Creditor who is not a Convenience Creditor (as defined below) shall be entitled to vote on the Plan at the Creditor's Meeting, to the extent of the amount of his, her or its Proven Voting Claim. For further clarity, an Affected Creditor asserting a Claim against both EncoreFX and any D&O shall be considered a single creditor for the purposes of voting and distribution under this Plan, and such Affected Creditor shall not be entitled to recover twice in respect of its Claim. GCC, Wrede and BMO have agreed to support and vote in favour of the Plan.

5.2(c) In full and final satisfaction of the General Unsecured Claims, the GUCs may elect to receive a distribution from the Current Funds (the "**Unsecured Claim Distributions**") equal to either: (i) 100% of their respective General Unsecured Claim with respect to the first \$5,000 of their General Unsecured Claim, or (ii) 16% of their respective General Unsecured Claim. First, for ~~For~~ those GUCs who are owed \$5,000 or less and who will be paid in full in respect of their Proven Claims, and second, for those GUCs who are owed between \$5,000 and \$31,250 and who elect to accept \$5,000 in full and final satisfaction of their claims (collectively, the "**Convenience Creditors**"), then in each such case the Convenience Creditors shall be deemed to have voted in favour of the Plan. For clarity, GUCs who are owed \$5,000 or less shall be automatically and irrevocably deemed to: (i) be Convenience Creditors and (ii) have voted in favour of the Plan. The amount of any accepted General Unsecured Claim shall be net of any amounts owing by the GUC to the Estate as determined by the Monitor or the CCAA Court in respect of any "out-of-the-money" positions, or any other debt owed to the Estate by the GUC.

Appendix "A"

"**Service List**" means the list of creditors appended as Schedule "A" to the Petition to the Court filed March 11, 2021, as may be amended by the Monitor from time to time, a copy of which is posted to the Monitor's website: www.ey.com/ca/EncoreFX ~~has the meaning ascribed to it in the preamble of the CCAA Conversion Order~~;