

**SUPERIOR COURT  
(Commercial Division)**

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTREAL

No.: 500-11-058415-205

DATE: July 17, 2020

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**BEFORE THE HONOURABLE LOUIS JOSEPH GOUIN, J.S.C.**

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

**CIRQUE DU SOLEIL CANADA INC.**

and

**THE OTHER APPLICANTS LISTED IN SCHEDULE "A" HEREOF**

Applicants

**ERNST & YOUNG INC.**

Monitor

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**ORDER APPROVING A SALE AND INVESTMENT SOLICITATION PROCESS**

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- [1] **CONSIDERING** the Applicants' *Amended Application for the Issuance of a First Day Initial Order, an Amended and Restated Initial Order and an Order Approving a Sale and Investment Solicitation Process* (the "**Application**"), the affidavit and the exhibits in support thereof;
- [2] **CONSIDERING** the submissions of counsel;
- [3] **CONSIDERING** the Pre-Filing Report, the Supplemental Report dated July 9, 2020 and the Second Report dated July 16, 2020 of Ernst & Young Inc., as court-appointed monitor in these proceedings (in such capacity, the "**Monitor**");
- [4] **CONSIDERING** the provisions of the *Companies' Creditors Arrangement Act*;

**THE COURT HEREBY:**

- [5] **GRANTS** the Application.

**DEFINITIONS**

- [6] **DECLARES** that all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the SISP (as defined below).

**SERVICE**

- [7] **DECLARES** that sufficient prior notice of the presentation of the Application has been given by the Applicants to interested parties, that supporting material is good and sufficient and that further service thereof is hereby dispensed with.

**SISP**

- [8] **APPROVES** and **RATIFIES** the Sale and Investment Solicitation Process ("**SISP**") set forth in the Form of Procedures for a Sale and Investment Solicitation Process attached as Schedule "C" hereto.
- [9] **AUTHORIZES** the CDS Entities, the Monitor and the Financial Advisors to conduct and implement the SISP and to take such steps and execute such documentation as may be necessary or incidental thereto, including the NDAs contemplated therein by the CDS Entities.
- [10] **ORDERS** that the Monitor and each of its affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing its duties under the SISP, except to the extent of such losses, claims, damages or liabilities resulting from gross negligence or willful misconduct of any such person or entity, as applicable, as determined by this Court.

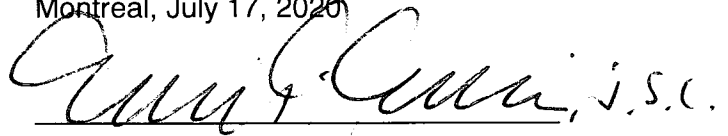
**STALKING HORSE APA**

- [11] **APPROVES** and **RATIFIES** the Asset Purchase Agreement dated as of July 15, 2020 (the "**Stalking Horse APA**") between Cirque Du Soleil Holdings L.P. (by its general partner Cirque du Soleil GP Inc.) ("**CDS**"), as seller, Spectacle Bidco LP, as buyer (the "**Stalking Horse Bidder**"), a copy of which was filed as Exhibit R-23 to the Application.
- [12] **AUTHORIZES** CDS, on behalf of the CDS Entities, to execute the Stalking Horse APA *nunc pro tunc*, provided that nothing herein approves the transaction contemplated in the Stalking Horse APA, including the sale and the vesting of the Purchased Assets (as defined in the Stalking Horse APA) to the Stalking Horse Bidder pursuant to the Stalking Horse APA and that the approval of such transaction, including the sale and vesting of the Purchased Assets, shall be considered by this Court in a subsequent application to be filed and presented to this Court following the completion of the SISP or upon termination thereof in accordance with the terms thereof.

**GENERAL**

- [13] **ORDERS** that the CDS Entities are authorized and permitted under applicable law to disclose and transfer to Potential Bidders (including the Stalking Horse Bidder) and to their advisors personal information in the custody or control of the CDS Entities relating to the operation of the business being sold pursuant to the Stalking Horse APA, including human resources and payroll information, records pertaining to the CDS Entities' past and current employees, and information about any consumer, website visitor or other individual (collectively, "**Personal Information**"), but only to the extent necessary to negotiate, determine whether to proceed with, and attempt to complete a transaction in accordance with the SISP (a "**Transaction**"). Each Potential Bidder (including the Stalking Horse Bidder) to whom any Personal Information is disclosed shall maintain and protect the Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial privacy legislation and limit the use of such information to its evaluation of a Transaction, and if it does not complete a Transaction with the CDS Entities, shall return all such information to the CDS Entities, or in the alternative permanently destroy all such information.
- [14] **ORDERS** that the Applicants and the Monitor may from time to time apply to this Court for advice and directions in the discharge of their respective powers and duties hereunder or under the SISP.
- [15] **REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order.
- [16] **ORDERS** the provisional execution of this Order notwithstanding appeal and without security.
- [17] **WITHOUT COSTS.**

Montreal, July 17, 2020

A handwritten signature in dark ink, appearing to read 'Louis J. Gouin', followed by the initials 'J.S.C.'.

The Honourable Louis Joseph Gouin, j.s.c.

**SCHEDULE A  
LIST OF APPLICANTS**

1. Cirque du Soleil GP Inc.
2. CDS Canadian Holdings, Inc.
3. Cirque du Soleil Canada Inc.
4. Cirque du Soleil Inc.
5. Cirque du Soleil Images Inc.
6. Cirque du Soleil Inspiration Inc.
7. CDS U.S. Holdings, Inc.
8. CDS U.S. Intermediate Holdings, Inc.
9. Cirque du Soleil Holding USA, Inc.
10. Cirque du Soleil (US), Inc.
11. Cirque du Soleil America, Inc.
12. VStar Entertainment Group, LLC
13. Cirque Dreams Holdings LLC
14. VStar Merchandising, LLC
15. VStar International, LLC
16. VStar Theatrical, LLC
17. VStar Touring, LLC
18. Cirque du Soleil Orlando, LLC
19. Cirque du Soleil Vegas, LLC
20. Cirque du Soleil Nevada, Inc.
21. Cirque du Soleil My Call, LLC
22. Velsi, LLC
23. Blue Man Inc.
24. Blue Man Group Holdings, LLC
25. Blue Man Group Records, LLC
26. Astor Show Productions, LLC
27. Blue Man Group Publishing, LLC
28. Blue Man Vegas, LLC
29. Blue Man Orlando, LLC
30. Blue Man Productions, LLC
31. Blue Man Chicago, LLC
32. 9415-8185 Québec Inc.
33. 9415-8219 Québec Inc.
34. 9415-8227 Québec Inc.
35. 9415-8235 Québec Inc.
36. Création 4U2C Inc.
37. Blue Man International, LLC
38. Cirque du Soleil Radio CT Holding, LLC
39. Cirque du Soleil Radio CT, LLC
40. The Works Entertainment, LLC
41. Cirque Theatrical, LLC
42. Cirque on Broadway, LLC
43. Joie de Vie, LLC

**SCHEDULE "B"**  
**LIMITED PARTNERSHIP**

1. Cirque du Soleil Holdings L.P.
2. CDS Canada 3 L.P.
3. CDS Canada 4 L.P.
4. Blue Man Boston Limited Partnership
5. CDS Canada 1 SCSp (Luxembourg special limited partnership)
6. CDS Canada 2 SCSp (Luxembourg special limited partnership)

**SCHEDULE "C"**

**FORM OF PROCEDURES FOR A SALE AND INVESTMENT SOLICITATION PROCESS**

*(see attached)*

## SALE AND INVESTMENT SOLICITATION PROCESS

### Introduction

- A. On June 30, 2020 (the **"Filing Date"**), Cirque du Soleil Canada Inc. and the other entities listed in Schedule A hereto (collectively, the **"CDS Entities"**) obtained an initial order (as amended, supplemented or amended and restated from time to time, the **"Initial Order"**) under the *Companies' Creditors Arrangement Act* (**"CCAA"**) and the proceedings commenced thereby, the **"CCAA Proceedings"**) from the Superior Court of Québec for the District of Montréal (Commercial Division) (the **"CCAA Court"**).
- B. Pursuant to the Initial Order, Ernst & Young Inc. was appointed as monitor in the CCAA Proceedings (in such capacity, the **"Monitor"**).
- C. Following the Filing Date, Cirque du Soleil Canada Inc. as foreign representative of the CDS Entities also filed a verified petition for an order recognizing the CCAA Proceedings as a "foreign main proceeding" and granting related relief under Chapter 15 of title 11 of the United States Code (the **"Bankruptcy Code"**) in the United States Bankruptcy Court for the District of Delaware (the **"Bankruptcy Court"**).
- D. Prior to the Filing Date, the CDS Entities engaged National Bank Financial and Greenhill & Co, Inc. (together, the **"Financial Advisors"**) to solicit non-binding proposals for a potential recapitalization of, equity investment in or sale of the assets of, the CDS Entities (the **"Preliminary Process"**).
- E. On July 17, 2020, the CCAA Court granted an Order (the **"SISP Approval Order"**), among other things, approving the sale and investment solicitation process (**"SISP"**) described herein and the Asset Purchase Agreement dated as of July 15, 2020 (the **"Stalking Horse APA"**) entered into by Cirque Du Soleil Holdings L.P., as seller, and Spectacle Bidco LP (the **"Stalking Horse Bidder"**), as buyer, pursuant to which the Stalking Horse Bidder has agreed to purchase substantially all of the assets of the CDS Entities (the **"Stalking Horse Transaction"**).
- F. The purpose of this SISP is to set out terms and procedures for a fair and efficient sale process so as to (i) obtain the highest and best offer for the CDS Entities' business operations and activities (the **"Business"**), including all of their personal, real, movable and immovable assets, rights, undertakings and properties (collectively, the **"Property"**), and (ii) ensure certainty for the restart, the growth and the long-term continuation of the Business, which ceased due to the COVID-19 crisis, the whole in the best interest of the CDS Entities' stakeholders, including their thousands of employees (those currently employed and those who had to be laid off due to the cessation of operations of the Business), their creditors, their suppliers and contracting parties, and the Québec community where it is a key cultural business and a major talent incubator since its creation.
- G. Accordingly, this SISP describes, among other things: (a) the Property available for sale and the opportunity for an investment in the Business, (b) the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Business, (c) the manner in which bidders and bids become Qualified Bidders, Qualified Bids, and Auction Bidders, as applicable, (d) the evaluation of bids received, (e) the guidelines for the ultimate selection of the Successful Bid(s) and/or Back-Up Bid(s), and (f) the process for obtaining such

approvals (including the approval of the CCAA Court) as may be necessary or appropriate in respect of a Successful Bid.

- H. Capitalized terms used in this SISP and not otherwise defined have the meanings given to them in paragraph 1 below.

### **Defined Terms**

1. The following capitalized terms have the following meanings when used in this SISP:
  - (a) **"Aggregated Auction Bidder"** is defined in paragraph 26(b).
  - (b) **"Aggregated Overbid"** is defined in paragraph 26(b).
  - (c) **"Approval Motion"** is defined in paragraph 27.
  - (d) **"Approval Motion Date"** is defined in paragraph 2.
  - (e) **"Auction"** is defined in paragraph 24.
  - (f) **"Auction Bidders"** is defined in paragraph 25.
  - (g) **"Auction Date"** is defined in paragraph 2.
  - (h) **"Back-Up Bid"** is defined in paragraph 26(i).
  - (i) **"Back-Up Bidder"** is defined in paragraph 26(i).
  - (j) **"Bankruptcy Code"** is defined in paragraph C of the introduction.
  - (k) **"Bankruptcy Court"** is defined in paragraph C of the introduction.
  - (l) **"Bid"** is defined in paragraph 18.
  - (m) **"Bid Deadline"** is defined in paragraph 2.
  - (n) **"Business"** is defined in paragraph F of the introduction.
  - (o) **"Business Day"** means a day (other than Saturday or Sunday) on which banks are generally open for business in Montréal, Québec and New York, New York.
  - (p) **"CA"** means the *Competition Act*, R.S.C., 1985, c. C-34, as amended.
  - (q) **"CCAA"** is defined in paragraph A of the introduction.
  - (r) **"CCAA Court"** is defined in paragraph A of the introduction.
  - (s) **"CCAA Proceedings"** is defined in paragraph A of the introduction.
  - (t) **"CDS"** means Cirque du Soleil Holdings L.P. (by its general partner Cirque du Soleil GP Inc.).
  - (u) **"CDS Entities"** is defined in paragraph A of the introduction.



- (v) “**Closing**” means the completion of the transaction contemplated by the Successful Bid.
- (w) “**Confidential Information Memorandum**” is defined in paragraph 11.
- (x) “**Data Room**” is defined in paragraph 11.
- (y) “**Deposit**” is defined in paragraph 18(c)(xx).
- (z) “**Filing Date**” is defined in paragraph A of the introduction.
- (aa) “**Financial Advisors**” is defined in paragraph D of the introduction.
- (bb) “**HSR Act**” means the *Hart-Scott-Rodino Antitrust Improvements Act of 1976*, as amended.
- (cc) “**ICA**” means the *Investment Canada Act*, R.S.C., 1985, c. 28 (1st Supp.), as amended.
- (dd) “**Initial Order**” is defined in paragraph A of the introduction.
- (ee) “**Monitor**” is defined in paragraph B of the introduction.
- (ff) “**Monitor’s Website**” means [www.ey.com/ca/cirque](http://www.ey.com/ca/cirque).
- (gg) “**NDA**” means a non-disclosure agreement in form and substance satisfactory to CDS and the Monitor, which will inure to the benefit of any Successful Bidder at Closing.
- (hh) “**Opening Bid**” is defined in paragraph 26(b).
- (ii) “**Outside Date**” is defined in paragraph 2.
- (jj) “**Overbid**” is defined in paragraph 26(e).
- (kk) “**Participation Deadline**” is defined in paragraph 2.
- (ll) “**Participation Letter**” is defined in paragraph 7(a).
- (mm) “**Potential Bidder**” is defined in paragraph 4.
- (nn) “**Preliminary Process**” is defined in paragraph D of the introduction.
- (oo) “**Property**” is defined in paragraph F of the introduction.
- (pp) “**Qualified Bid**” is defined in paragraph 18.
- (qq) “**Qualified Bidder**” is defined in paragraph 9.
- (rr) “**Required Acknowledgment**” is defined in paragraph 6.
- (ss) “**Secured Lenders**” means the First Lien Lenders and the Second Lien Lenders (each as defined in the initial application of the CDS Entities filed in the CCAA Proceedings dated June 29, 2020).

- (tt) **"SISP"** is defined in paragraph E of the introduction.
- (uu) **"SISP Approval Order"** is defined in paragraph E of the introduction.
- (vv) **"Solicitation Materials Distribution Date"** is defined in paragraph 2.
- (ww) **"Solicitation Notice"** is defined in paragraph 6.
- (xx) **"Stalking Horse APA"** is defined in paragraph E of the introduction.
- (yy) **"Stalking Horse Bid"** is defined in paragraph 19.
- (zz) **"Stalking Horse Bidder"** is defined in paragraph E of the introduction.
- (aaa) **"Stalking Horse Transaction"** is defined in paragraph E of the introduction.
- (bbb) **"Successful Bid"** is defined in paragraph 26(i).
- (ccc) **"Successful Bidder"** is defined in paragraph 26(i).
- (ddd) **"Superior Offer"** mean a credible and fully financed offer made by a Qualified Bidder that (i) provides for consideration in excess of the aggregate purchase price contemplated by the Stalking Horse Transaction plus U.S.\$1,500,000, including cash consideration in an amount equal to no less than the Credit Bid Consideration plus the CDS 4 Term Loan Consideration (each as defined in the Stalking Horse APA) and (ii) CDS, with the assistance of the Financial Advisors and its legal advisors, and with the consent of the Monitor, considers to be better than the Stalking Horse Transaction. Solely with respect to the definition of "Superior Offer" herein, the purchase price under the Stalking Horse Transaction shall be calculated as at the Bid Deadline, such amount to be agreed between the Monitor and the Stalking Horse Bidder and communicated to all Qualified Bidders no less than seven (7) days prior to the Bid Deadline, it being understood that nothing herein shall impair the ability of the Stalking Horse Bidder to credit bid any additional obligations owing to the Secured Lenders, including interest or any other obligations accruing on or after the Bid Deadline. For reference purposes, as at the date of the Stalking Horse APA, the aggregate purchase price payable under the Stalking Horse Transaction is approximately U.S.\$1,214,707,855.03.
- (eee) **"U.S. Website"** means <https://www.omniagentsolutions.com/cirquedusoleil>.

### **Key Dates**

2. The key dates for the SISP are as follows:

<b>By no later than July 20, 2020</b> at 5:00 p.m. (prevailing Eastern Time) or such later date as may be agreed to by CDS with the consent of the Monitor ( <b>"Solicitation Materials Distribution Date"</b> )	Distribution of the Solicitation Notice, form of NDA and the Required Acknowledgment to the Potential Bidders
<b>July 27, 2020</b> at 5:00 p.m.	Due date for delivery by Potential Bidders of a Participation Letter, an executed NDA, and an

(prevailing Eastern Time) <b>("Participation Deadline")</b>	executed Required Acknowledgement (subject to the terms of paragraph 8)
<b>August 18, 2020</b> at 5:00 p.m. (prevailing Eastern Time) <b>("Bid Deadline")</b>	Due date for Bids and Deposits
<b>August 25, 2020</b> <b>("Auction Date")</b>	Date of the Auction (if any)
No later than seven (7) calendar days following either the conclusion of the Auction, or the date on which a determination is made by CDS, with the consent of the Monitor, not to proceed with an Auction in accordance with paragraph 23 <b>("Approval Motion Date")</b>	Hearing of the Approval Motion
<b>September 30, 2020</b> , or such later date as may be agreed to by CDS and the Successful Bidder, with the consent of the Monitor <b>("Outside Date")</b>	Deadline for completion of the transaction(s) represented by the Successful Bid(s)

### **Supervision of the SISP**

3. The Monitor shall supervise the CDS Entities' conduct of the SISP as outlined herein and any resulting sales or investments, including having the consent rights provided for herein. In the event that there is disagreement or clarification is required as to the interpretation or application of this SISP or the responsibilities of the Monitor, the Financial Advisors or the CDS Entities hereunder, the CCAA Court will have jurisdiction to hear such matter and provide advice and directions, upon application of the Monitor, the CDS Entities or any other party with a hearing on not less than five (5) Business Days' notice.

### **[18] Solicitation of Interest**

4. For all purposes of this SISP, the following persons shall be considered as potential bidders (each, a **"Potential Bidder"**): (i) any party that was not identified as a potential bidder as part of the Preliminary Process and that, in the reasonable opinion of CDS, with the assistance of the Financial Advisors, and with the consent of the Monitor, is capable of submitting a purchase or investment offer regarding the Property or the Business, (ii) each party that has submitted a bid in the Preliminary Process that is selected by CDS, with the assistance of the Financial Advisors, and with the consent of

the Monitor, to participate in the SISP, and (iii) any other party permitted by CDS, with the consent of the Monitor.

5. As soon as reasonably practicable after the granting of the SISP Approval Order:
- (a) the Monitor will post the SISP Approval Order and the SISP on the Monitor's Website and CDS shall cause such notice to be posted on the U.S. Website;
  - (b) CDS will cause a notice of the SISP (and such other relevant information which CDS, in consultation with the Monitor and the Financial Advisors, considers appropriate) to be published in The Wall Street Journal, The Globe and Mail (National Edition), and La Presse; and
  - (c) CDS will issue a press release setting out notice of the SISP (and such other relevant information which CDS, in consultation with the Monitor and the Financial Advisors, considers appropriate) with Canada Newswire designating dissemination in Canada and major financial centres in the United States.
6. By no later than the Solicitation Materials Distribution Date, the Financial Advisors, on behalf of CDS, shall distribute a solicitation notice describing the opportunity and inviting Potential Bidders to submit a bid pursuant to these SISP procedures (the "**Solicitation Notice**"), the form of NDA, and a form of written acknowledgement whereby a Potential Bidder confirms receipt of a copy of the SISP Approval Order and agrees to be bound by the provisions contained therein (including the SISP) (the "**Required Acknowledgment**") to each Potential Bidder.

#### **Participation Requirements**

7. Subject to paragraph 8, in order to participate in the SISP, by the Participation Deadline, each Potential Bidder must deliver the following information and executed documents to the Financial Advisors, on behalf of the CDS Entities, and the Monitor at their email address(es) specified in Schedule B hereto:
- (a) a letter (a "**Participation Letter**") setting forth (i) the identity, the type and the jurisdiction of organization of the Potential Bidder, (ii) the contact information for such Potential Bidder, (iii) full disclosure of the direct and indirect owners and principals of the Potential Bidder, and (iv) such financial disclosure and credit quality support or enhancement that allows CDS, in consultation with the Financial Advisors and the Monitor, to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a transaction pursuant to a Superior Offer;
  - (b) an executed NDA; and
  - (c) a copy of the Required Acknowledgment executed by the Potential Bidder.
8. Any Potential Bidder that, prior to the granting of the SISP Approval Order, (a) disclosed to CDS the information set out in paragraph 7(a), and/or (b) entered into a non-disclosure agreement with CDS that imposes confidentiality, non-use, and non-disclosure obligations on such Potential Bidder no less stringent than the form of NDA and that inures to the benefit of any Successful Bidder at Closing may be deemed by CDS, with the consent of the Monitor, to satisfy the requirements set forth in paragraphs 7(a) and 7(b), as applicable.

9. A Potential Bidder that has delivered the necessary documents and information in accordance with paragraphs 7 and 8 and that CDS, in its reasonable business judgment, in consultation with the Financial Advisors, and with the consent of the Monitor, determines is likely, based on the availability of financing, to be able to consummate a transaction on or before the Outside Date will be deemed a **"Qualified Bidder"**, and will be promptly notified of such determination by the Financial Advisors with a copy to the Monitor.
10. Notwithstanding paragraphs 7 to 9, the Stalking Horse Bidder shall be deemed to be a Qualified Bidder for all purposes under, and at all times in connection with, this SISP.

#### **Distribution of Confidential Information Memorandum and Access to Data Room**

11. Contemporaneously with the determination that a Potential Bidder is a Qualified Bidder, CDS, with the assistance of the Financial Advisors and the Monitor, shall provide such Qualified Bidder with a confidential information memorandum describing the opportunity to acquire the Property and the Business (the **"Confidential Information Memorandum"**), it being understood that Qualified Bidders who submitted a bid in the Preliminary Process have already been provided with the Confidential Information Memorandum, and with access to a secure online electronic data room (the **"Data Room"**) containing due diligence information regarding:
  - (a) the Property and the Business; and
  - (b) the debt of, and equity interests in, the CDS Entities.
12. CDS, with the assistance of the Financial Advisors and the Monitor, shall coordinate all reasonable requests from Qualified Bidders for additional information and due diligence access; provided CDS may decline to provide (or elect to withdraw access to) due diligence information to any Qualified Bidder who, at such time and in the reasonable business judgment of CDS, after consultation with the Financial Advisors and with the consent of the Monitor, has not established (or there is otherwise a reasonable basis to doubt), that such Qualified Bidder intends in good faith to, or has the capacity to, consummate a transaction.
13. The CDS Entities also reserve the right, in consultation with the Financial Advisors and with the consent of the Monitor, to withhold any diligence materials that the CDS Entities determine are sensitive or otherwise not appropriate for disclosure to a Qualified Bidder that the CDS Entities determine is (or is affiliated with) a competitor or is otherwise an entity to which the disclosure of sensitive or competitive information, in the CDS Entities' exercise of their reasonable business judgment (in consultation with the Financial Advisors and with the consent of the Monitor), may risk unduly placing the CDS Entities at a competitive disadvantage or subject them to regulatory scrutiny.
14. All due diligence and information requests must be directed to the Monitor and to the Financial Advisors at their email address(es) specified in Schedule B hereto.
15. The CDS Entities, the Financial Advisors, the Monitor and their respective employees, officers, directors, agents, advisors and other representatives make no promise, representation, warranty, condition or guarantee of any kind, nature or description as to the information (a) contained in the Confidential Information Memorandum or the Data Room, or (b) otherwise made available in connection with this SISP, except, in the case

of the CDS Entities only, to the extent expressly contemplated in any executed definitive sale or investment agreement with a Successful Bidder.

16. Without limiting the generality of any term or condition of any NDA between CDS and any Potential Bidder or Qualified Bidder, unless otherwise agreed by CDS and the Monitor or ordered by the CCAA Court, no Potential Bidder or Qualified Bidder (other than the Stalking Horse Bidder) shall be permitted to have any discussions with (a) any counterparty to any contract with any of the CDS Entities, any current or former director, manager, shareholder, officer, member or employee of any of the CDS Entities, other than in the normal course of business and wholly unrelated to the CDS Entities, the potential transaction, the Confidential Information (as defined in the NDA), the SISP or the CCAA Proceedings, and (b) any other Potential Bidder or Qualified Bidder regarding the SISP or any bids submitted or contemplated to be submitted pursuant thereto. In the case of the Stalking Horse Bidder, it shall not be permitted to have any communications (verbal and in written form) with (a) any counterparty to any contract with any of the CDS Entities (except in accordance with the terms of the Stalking Horse APA), and (b) any other Potential Bidder or Qualified Bidder regarding the SISP or any bids submitted or contemplated to be submitted pursuant thereto, unless the Monitor and CDS's counsel are parties to any and all such communications.

#### **Qualified Bids**

17. A Qualified Bidder that wishes to make a bid must deliver its bid to the Financial Advisors, on behalf of the CDS Entities, and the Monitor at their email address(es) specified in Schedule B hereto so as to be actually received by them not later than the Bid Deadline.
18. All offers submitted to the CDS Entities and the Monitor ("**Bids**") for consideration in accordance with paragraph 17 must comply with all of the following requirements (any such complying Bid, a "**Qualified Bid**"):
- (a) Asset Sales: In the case of an offer to purchase some or all of the Property:
    - (i) Purchase Price: Each Bid must clearly set forth the purchase price in U.S. dollars, stated on a total enterprise value basis (including the cash and any non-cash components thereof, the sources of such capital, evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed transaction and any related contingencies, as applicable);
    - (ii) Assets: Each Bid must clearly state the Property to be included in the transaction and any Property to be excluded or divested or disclaimed prior to Closing (including the contracts and leases not to be assumed);
    - (iii) Assumption of Obligations: Each Bid must clearly state which liabilities and obligations of the CDS Entities are to be assumed; and
    - (iv) Mark-up: Each Bid must include a full mark-up of the Stalking Horse APA to be included in the Data Room, and not only an issues list or comments of a conceptual nature.
  - (b) Investments: In the case of an offer to make an investment in the Business:

- (i) Amount/Type of Investment: Each Bid must clearly state the aggregate amount of the equity and/or debt investment in U.S. dollars (including the sources of such capital, evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed transaction and any related contingencies, as applicable) to be made; and
  - (ii) Treatment of Obligations: Each Bid must include the proposed treatment of the liabilities and obligations of the CDS Entities.
- (c) All Bids: In the case of all offers to purchase some or all of the Property and/or to make an investment in the Business:
  - (i) Bid Deadline: Each Bid must be received by the Bid Deadline as set forth herein;
  - (ii) Superior Offer: Each Bid must represent a Superior Offer;
  - (iii) Key Terms: Each Bid must set forth key terms including (A) economic terms, (B) the basis and rationale of the valuation, (C) any major assumptions made, including the financial projections utilized in arriving at the valuation, and (D) any other material terms and conditions required to consummate the transaction;
  - (iv) Capital Structure: Each Bid must include a pro forma capital structure and the underlying assumptions regarding the pro forma capital structure (including the anticipated debt levels, debt service fees, interest, maturity, amortization, and other key terms);
  - (v) Corporate Governance: Each Bid must include the proposed corporate governance structure of the entity or entities owning/operating the Business, following implementation of the purchase or investment;
  - (vi) Irrevocable Offer: Each Bid must be irrevocable until the earlier of (A) the approval by the CCAA Court of a Successful Bid (and the Back-Up Bid) and (B) 45 days following the Bid Deadline, provided that if such bidder is selected as the Successful Bidder or the Back-Up Bidder, its offer will remain irrevocable until the Closing (or ten (10) days after the Outside Date as set forth herein);
  - (vii) Executed Documents: Each Bid must be accompanied by a duly authorized and executed asset purchase agreement or investment commitment, as applicable, and an electronic copy of such agreement, as well as duly authorized and executed transaction documents necessary to effectuate the transactions contemplated thereby;
  - (viii) Financial Wherewithal: Each Bid must include (A) written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow CDS, in consultation with the Monitor and the Financial Advisors, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction, and (B) the identification of any person or entity who may provide debt or equity financing for the Bid

and any material conditions to be satisfied in connection with such financing;

- (ix) Authorization: Each Bid must include evidence, in form and substance reasonably satisfactory to CDS, in consultation with the Monitor, of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Bid;
- (x) No Other Authorization, Diligence, Financing Conditions: Each Bid must not be conditional upon the following:
  - A. any internal approval(s);
  - B. the outcome of unperformed due diligence by the Qualified Bidder; or
  - C. obtaining financing;
- (xi) "As Is, Where Is"; Other Acknowledgements: Each Bid must include an acknowledgement and representation that the Qualified Bidder:
  - A. is making its offer to purchase the Property or make an investment in the Business on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the CDS Entities, the Monitor or any of their respective employees, officers, directors, agents, advisors, other representatives and estates, except to the extent set forth in the definitive sale or investment agreement;
  - B. has had an opportunity to conduct any and all due diligence regarding the Business and the Property prior to making its Bid;
  - C. has relied solely upon its own independent review, investigation and inspection of any documents and the assets to be acquired and liabilities to be assumed in making its Bid; and
  - D. is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the CDS Entities, the Financial Advisors, the Monitor and their respective employees, officers, directors, agents, advisors and other representatives, regarding the Business, the Property, the assets to be acquired or liabilities to be assumed, the Auction, this SISP, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the definitive sale or investment agreement.
- (xii) Identity: Each Bid must fully disclose the identity of each entity that will be sponsoring or participating in the Bid, and the complete terms of such participation;



- (xiii) Contact Information: Each Bid must contain contact information for any business, financial or legal advisors retained or to be retained in connection with the proposed transaction;
- (xiv) Regulatory Approvals: Each Bid must outline any anticipated regulatory and other approvals required to close the transaction, including any approvals under the CA, ICA, and HSR Act, and the anticipated time frame and any anticipated impediments for obtaining such approvals and confirms that the Qualified Bidder will make and submit all necessary and applicable regulatory filings and pay all fees associated therewith;
- (xv) Disclaimer of Fees: Each Bid must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation, it being understood that nothing herein shall impact any fee letter between the CDS Entities and the advisors to the Secured Lenders;
- (xvi) Treatment of Employees: Each Bid must include full details of the Qualified Bidder's intention towards offering continued employment to the CDS Entities' employees and provide details on the terms and conditions of employment that will be offered to any continuing employees. For greater certainty, each Bid must include the proposed approximate number of employees of the CDS Entities who will become employees of the bidder or remain employees of the Business. Each Bid must also include details on how the Qualified Bidder intends to address CDS Entities' contemplated actions towards its employee population in the context of the restructuring process;
- (xvii) Québec Undertakings: Each Bid must state any undertakings in favor of the government and the province of Québec, including, for example, regarding the location of the Business' primary headquarters, the Québec residency requirements for directors and officers and, where applicable, the Qualified Bidder's intention to offer employment to employees whose employment with any of the CDS Entities was terminated as part of the restructuring process;
- (xviii) Cure Costs: To the extent applicable, each Bid must contain full details of the Qualified Bidder's proposal for the treatment of related cure costs (including the Qualified Bidder's ability to perform under any assigned agreements) and identify with particularity any executory contract or unexpired lease the assumption and assignment of which is a condition to closing;
- (xix) Timeline: Each Bid must provide a timeline to Closing with critical milestones with a closing date not exceeding the Outside Date;
- (xx) Deposit: Each Bid must be accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer to the account specified on Schedule C hereto (or such other form acceptable to CDS with the consent of the Monitor), payable to the order of the Monitor, on behalf of the CDS Entities, in trust, in an amount equal to two percent (2%) of the total consideration contemplated by the Bid, to be held and dealt with in

accordance with the terms of this SISP; provided, however, that in the case of the Stalking Horse Bid, the Deposit shall be U.S.\$21,012,648;

- (xxi) Terms of Court Order(s): Each Bid must describe the key terms and provisions to be included in any order of the CCAA Court approving the contemplated transaction, including, in the case of an asset sale, whether the transaction requires that all of the rights, title and interests of the CDS Entities in and to the subject Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (except to the extent otherwise set forth in the definitive sale or investment agreement);
- (xxii) Precedent Investments in the Entertainment Industry: Each Bid must provide any relevant details of the previous investments or acquisitions, or any other experience a Qualified Bidder has and deemed relevant by such Qualified Bidder, in the entertainment industry, including the date, nature of the investment, amount invested, geography and any other relevant information related to such investment;
- (xxiii) Prospective Plans: Each Bid should include the Qualified Bidder's proposed plans for the Business following consummation of a potential transaction, including intentions for the re-start of operations as well as for management, employees (including financial compensation in relation with potential termination entitlements of employees whose employment was permanently terminated and the Qualified Bidder's intention towards freelancers and employees that were furloughed due to CDS's financial position), facilities and the location of the Business' primary headquarters; and
- (xxiv) Other Information: Each Bid must contain such other information as may be reasonably requested by CDS, the Financial Advisors, or the Monitor in writing from time to time.

- 19. Notwithstanding anything herein to the contrary, the offer represented by the Stalking Horse APA (the "**Stalking Horse Bid**") shall be deemed to be a Qualified Bid for all purposes under, and at all times in connection with, this SISP.
- 20. Notwithstanding anything herein to the contrary, CDS and the Monitor, with the assistance of the Financial Advisors, will review and assess each Bid to determine whether such Bid is a Qualified Bid. In performing such review and assessment, CDS and the Monitor shall evaluate the following as primary considerations: (a) the purchase price and net value (including assumed liabilities and other obligations to be performed by the bidder); (b) the firm, irrevocable commitment for financing of the transaction; (c) the closing conditions and other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction); and (d) the terms of transaction documents, including, if applicable, the proposed revisions to the Stalking Horse APA. In addition, they may consider the following non-exhaustive list of considerations: (i) the claims likely to be created by such Bid in relation to other Bids; (ii) the counterparties to the transaction; (iii) planned treatment of stakeholders; (iv) the assets included or excluded from the Bid; (v) any transition services required from the CDS Entities post-closing and any related restructuring costs; (vi) the likelihood and timing of consummating the transaction; (vii) the financing or cash pro forma available post-closing to fund the Business; (viii) the capital sufficient post-closing for the wind-

down of the applicable CDS Entities; (ix) proposed treatment of the employees (including plans regarding financial compensation in relation with potential termination entitlements of employees whose employment was permanently terminated and freelancers and employees that were furloughed due to CDS's financial position); and (x) the location of the Business' primary headquarters, the Québec residency requirements for directors and officers, and any other undertakings in favor of the government and the province of Québec.

21. CDS, in consultation with the Financial Advisors, and with the consent of the Monitor may reject any Bid that is (i) inadequate or insufficient; (ii) not in conformity with the requirements pursuant to these SISP procedures; (iii) contrary to the best interest of the CDS Entities; or (iv) not a Qualified Bid.

#### **Right of Secured Lenders to Credit Bid**

22. The Stalking Horse Bidder, for and on behalf of the Secured Lenders, has the right to credit bid for all of the Property subject to the security granted in favour of the Secured Lenders (including their agents), up to the full face value amount of the Secured Lenders' claims, including principal, interest and any other obligations owing to the Secured Lenders. For the avoidance of doubt, each U.S.\$1.00 of credit bid of the Stalking Horse Bidder shall be equal to U.S.\$1.00 of cash.

#### **Auction; Successful Bid**

23. In the event that no Qualified Bid other than the Stalking Horse Bid is received, then (a) there will be no auction, (b) the Stalking Horse Bid will be deemed to be the Successful Bid, and (c) the CDS Entities shall seek approval of, and authority and direction for the CDS Entities to consummate, the Stalking Horse APA and the transactions provided for therein at the Approval Motion.
24. If one or more Qualified Bids other than the Stalking Horse Bid are received, then CDS, in consultation with the Monitor and with the assistance of the Financial Advisors, shall conduct an auction to determine the highest and best Qualified Bid(s) (the "**Auction**").
25. If the Auction is to take place, then as soon as practicable and no later than 10:00 am (Montreal time) (3) Business Days prior to the Auction, CDS shall provide the Stalking Horse Bidder and all Qualified Bidders having submitted a Qualified Bid ("**Auction Bidders**") with a copy of the Opening Bid for the Auction together with a copy of the mark-up of the Stalking Horse APA.
26. The Auction shall commence on the Auction Date by videoconference and shall be conducted according to the following procedures:
- (a) Participation: CDS, in consultation with the Monitor (except where the consent of the Monitor is required by the terms hereof) and with the assistance of the Financial Advisors, shall direct and preside over the Auction. Only Auction Bidders are eligible to participate in the Auction. Each Auction Bidder must have present or available the individual or individuals with the necessary decision-making authority to submit Overbids and to make such necessary and ancillary decisions as may be required during the Auction. Only the authorized representatives, including counsel and other advisors, of the CDS Entities, the Monitor and each of the Auction Bidders shall be permitted to attend the Auction.

- (b) Rounds. Bidding at the Auction shall be conducted in rounds. The Qualified Bid that is the highest and best bid shall constitute the "**Opening Bid**" for the first round of bidding. The highest and best Overbid at the end of each round shall constitute the "**Opening Bid**" for the following round. CDS, with the consent of the Monitor, shall determine what constitutes the Opening Bid for each round in accordance with the assessment criteria set out in paragraph 26(d) below. Non-overlapping Qualified Bids may together constitute an Opening Bid in the opening round. A combination of non-overlapping Overbids (an "**Aggregated Overbid**" and the parties that submitted an Aggregated Overbid, the "**Aggregated Auction Bidder**") may also be an Opening Bid in any subsequent round, if such Aggregated Overbid is determined to be the highest and best bid. In each round, an Auction Bidder may submit no more than one Overbid. CDS, with the consent of the Monitor, may impose such time limits for the submission of Overbids as it deems reasonable. For clarity, the Stalking Horse Bidder may submit an Overbid and such bid may form part of an Aggregated Overbid.
- (c) Failure to Submit an Overbid. If, at the end of any round of bidding, an Auction Bidder or Aggregated Auction Bidder (other than the Auction Bidder or Aggregated Auction Bidder that submitted the Opening Bid for such round) fails to submit an Overbid, then such Auction Bidder may not participate in the next or any subsequent round of bidding at the Auction. Any Auction Bidder or Aggregated Auction Bidder that submits an Overbid or Aggregated Overbid during a round (including the Auction Bidder or Aggregated Auction Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction.
- (d) Bid Assessment Criteria. CDS, with the assistance of the Financial Advisors and with the consent of the Monitor, shall determine which Qualified Bid constitutes the Opening Bid for the first round of bidding and the determination of which Overbid or Aggregated Overbid constitutes the Opening Bid for each subsequent round of bidding, taking into account all factors that CDS, with the assistance of its advisors, and the Monitor reasonably deem relevant to the value of such bid, including, among other things, those considerations listed in paragraph 20, above.
- (e) Overbids. All Bids made during the Auction must be Overbids and shall be submitted in a form to be determined by CDS, with the consent of the Monitor, which form shall be provided to all Auction Bidders no later than two (2) Business Days prior to the start of the Auction. The identity of each Auction Bidder and all material terms of each Overbid must be fully disclosed by CDS and the Monitor to all other Auction Bidders participating in the Auction. The Monitor shall maintain a transcript of the Opening Bid and all Overbids made and announced at the Auction, including the Successful Bid(s) (as defined below) and the Back-Up Bid(s). To be considered an "**Overbid**", a Bid made during the Auction must satisfy the following criteria:
  - (i) Minimum Consideration. The overall amount of consideration of any Overbid shall not be less than the value of the Opening Bid of the applicable round of bidding, plus a minimum amount of U.S.\$1,500,000 (which, in the case of the Stalking Horse Bidder, may be by way of credit bid) or such higher amount as CDS, with the consent of the Monitor may determine in advance of such round of bidding in order to facilitate the Auction; and

- (ii) Remaining terms are the same as for Qualified Bids. Except as modified herein, an Overbid must comply with the conditions for a Bid set forth in paragraph 18 above (provided, for greater certainty, that the Bid Deadline shall not apply and Overbids need not be accompanied by additional cash deposits (subject to subsection (h) hereof)). To the extent not previously provided (which shall be determined by CDS and the Monitor), an Auction Bidder submitting an Overbid must submit, as part of its Overbid, evidence acceptable to CDS and the Monitor demonstrating such Auction Bidder's ability (including financial ability) to close the transaction contemplated by its Overbid;
- (f) Overbid Alterations: An applicable Overbid may contain alterations, modifications, additions, or deletions of any terms of the prior Overbid so long as, after giving effect to the same, the terms of the new Overbid are no less favorable than any prior Overbid of such Auction Bidder, as determined by CDS with the consent of the Monitor.
- (g) Announcing Highest Overbids. At the end of each round of bidding, CDS, in consultation with and with the consent of the Monitor, shall (i) immediately review each Overbid made in such round; (ii) identify the highest and best Overbid or Aggregated Overbid; and (iii) announce the terms of such highest and best Overbid or Aggregated Overbid to all Auction Bidders entitled to participate in the next round of bidding. Such highest and best Overbid or Aggregated Overbid shall be the Opening Bid for the next round of the Auction.
- (h) Adjournments. CDS may, in its reasonable business judgment and with the consent of the Monitor, make one or more adjournments in the Auction (other than for adjournments at the end of an Auction day to the next morning, such adjournments not to exceed two (2) Business Days in the aggregate) to, among other things: (i) facilitate discussions with individual Auction Bidders, including any discussion, negotiation or clarification of any Overbid; (ii) allow individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best Overbid or Aggregated Overbid at any given time during the Auction; (iv) give Auction Bidders the opportunity to provide such additional evidence as CDS and the Monitor may require, in their reasonable business judgment, that the Auction Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed transaction at the Overbid amount; and (v) subject to such rules and guidelines as the Monitor may consider appropriate, facilitate any appropriate consultation by Auction Bidders with third party stakeholders.
- (i) Closing the Auction. If, in any round of bidding, no Overbid or Aggregated Overbid is made, the Auction shall be closed and CDS, with the assistance of the Financial Advisors and its legal advisors and with the consent of the Monitor, shall: (i) declare the last Opening Bid(s) as the successful Bid(s) (the "**Successful Bid(s)**") and the party or parties submitting such Successful Bid(s), the "**Successful Bidder(s)**"; (ii) immediately review the other Overbids or Aggregated Overbids made in the previous round (or the Qualified Bid(s) if no Overbids were made at the Auction) and identify and record the next highest and best Overbid or Aggregated Overbid (or Qualified Bid) (the "**Back-Up Bid(s)**") and the party or parties submitting such Back-Up Bid(s), the "**Back-Up Bidder(s)**"; and (iii) advise the Successful Bidder(s) and the Back-Up Bidder(s) of such

determinations and all other Auction Bidders that they are not a Successful Bidder or a Back-Up Bidder. If a Back-Up Bid is identified in accordance with this SISP, then such Back-Up Bid shall remain open until the earlier of (i) the consummation of the transaction contemplated by the Successful Bid, and (ii) ten (10) days after the Outside Date.

- (j) Executed Documentation: The Successful Bidder and the Back-Up Bidder (if any) shall, within two (2) Business Days after the conclusion of the Auction, or such longer delay acceptable to CDS and the Monitor, submit to the CDS Entities and the Monitor executed revised documentation memorializing the terms of the Successful Bid and the Back-Up Bid (if any). Subject to the terms of the Successful Bid documentation, the Successful Bid and the Back-Up Bid may not be assigned to any party without the consent of CDS.
- (k) Reservation of Rights.
  - (i) Notwithstanding anything herein to the contrary, CDS shall be under no obligation to accept the highest and best Overbid or Aggregated Overbid or any Qualified Bid (other than the Stalking Horse Bid if no higher or better Qualified Bid is accepted) or to pursue or hold an Auction or to select any Successful Bid(s) and/or Back-Up Bid(s).
  - (ii) Subject to the maximum length of adjournments contemplated by Section 26(h), the CDS Entities, with the consent of the Monitor, reserve their rights to modify the conduct of the Auction at any time, acting reasonably, in any manner that would best promote the goals of the Auction process, including to select the Successful Bid(s) and/or Back-Up Bid(s) prior to the completion of the Auction.
- (l) No Collusion. Each Auction Bidder shall be required to confirm that it has not engaged in any discussions or any other collusive behavior with respect to the submission of Overbids. The Monitor may permit discussions between Auction Bidders at the Auction, subject to such rules and guidelines as the Monitor considers appropriate and on notice to all of the Auction Bidders.

### **Approval Motion**

- 27. The CDS Entities shall apply to the CCAA Court (the “**Approval Motion**”) for an order approving the Successful Bid(s) and authorizing and directing the CDS Entities to enter into any and all necessary agreements with respect to the Successful Bid(s) and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid(s). Such order shall also approve the Back-Up Bid(s), if any, should the Successful Bid(s) not close for any reason.
- 28. The hearing of the Approval Motion will be held on the Approval Motion Date. The Approval Motion may be adjourned or rescheduled by the CDS Entities, with the consent of the Monitor and the Successful Bidder, without further notice by an announcement of the adjourned date at the Approval Motion.
- 29. All Qualified Bids (other than the Successful Bid(s) and the Back-Up Bid(s)) will be deemed rejected on the date of approval of the Successful Bid(s) by the CCAA Court.

30. Following the approval by the CCAA Court of the Successful Bid(s), the CDS Entities shall file a motion with the Bankruptcy Court seeking recognition of such order of the CCAA Court.

[19] **Closing the Successful Bid**

31. The CDS Entities and the Successful Bidder(s) shall take all reasonable steps to complete the transaction contemplated by the Successful Bid(s) as soon as possible after the Successful Bid(s) are approved by the CCAA Court and such order is recognized by the Bankruptcy Court. Notwithstanding the foregoing, in the event that there is more than one Successful Bid, CDS reserves the right to impose a condition in each Successful Bid that the obligation of the CDS Entities to complete the transaction contemplated by each Successful Bid is conditional upon the completion of the transaction(s) contemplated by each other Successful Bid. The CDS Entities will be deemed to have accepted the Successful Bid(s) only when the Successful Bid(s) has/have been approved by the CCAA Court, provided that following designation of the Successful Bid(s) by the CDS Entities and the Monitor, neither the CDS Entities (including the Financial Advisors and its legal advisors) nor the Monitor shall be entitled to solicit any further bids or engage with any bidder (other than the Successful Bidder(s) and, solely with respect to the Back-Up Bid(s), the Back-Up Bidder(s)) and shall seek approval of the Successful Bid(s) as contemplated hereby. If the transaction(s) contemplated by the Successful Bid(s) has/have not closed by the Outside Date or the Successful Bid(s) is/are terminated for any reason prior to the Outside Date, CDS may elect, with the consent of the Monitor, on not less than two (2) Business Day's notice to the CCAA Service List, to seek to complete the transaction(s) contemplated by the Back-Up Bid(s), and will promptly seek to close the transaction(s) contemplated by the Back-Up Bid(s). The Back-Up Bid(s) will be deemed to be the Successful Bid(s) and the CDS Entities will be deemed to have accepted the Back-Up Bid(s) only when CDS has made such election with the consent of the Monitor.

**General**

32. All Deposits will be retained by the Monitor and invested in an interest-bearing trust account. If there is a Successful Bid and/or Back-Up Bid, the Deposit (plus accrued interest) paid by the Successful Bidder and/or Back-Up Bidder whose bid(s) is/are approved at the Approval Motion will be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder and/or Back-Up Bidder, as applicable upon closing of the approved transaction and will be non-refundable. The Deposits (plus applicable interest) of Qualified Bidders and Auction Bidders not selected as the Successful Bidder and/or Back-Up Bidder will be returned to such bidders within five (5) Business Days of the date upon which the Successful Bid is approved by the CCAA Court or any earlier date as may be determined by the CDS Entities, in consultation with the Financial Advisors and with the consent of the Monitor. The Deposit of the Back-Up Bidder shall be returned to such Back-Up Bidder no later than 5 Business Days after Closing.
33. All bidders (including Auction Bidders and Qualified Bidders) shall be deemed to have consented to the exclusive jurisdiction of the CCAA Court and the Bankruptcy Court and waived any right to a jury trial in connection with any disputes relating to the SISP, including the qualification of bids, the Auction, if any, the construction and enforcement of the SISP, the transaction documents and the Closing, as applicable.

34. There will be no amendments to this SISP without the consent of the Monitor, CDS and the Stalking Horse Bidder or, in the absence of consent, the approval of the CCAA Court.
35. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the CDS Entities and any Qualified Bidder or Auction Bidder, or any obligation to enter into any contractual or other legal relationship between the CDS Entities and any Qualified Bidder or Auction Bidder, other than as specifically set forth in a definitive agreement that may be signed with the CDS Entities.
36. Neither the CDS Entities nor the Monitor shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions contemplated under the SISP arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid(s) and Back-Up Bid(s).



## **SCHEDULE A**

### **CDS Entities**

#### **Applicants**

1. Cirque du Soleil GP Inc.
2. CDS Canadian Holdings, Inc.
3. Cirque du Soleil Canada Inc.
4. Cirque du Soleil Inc.
5. Cirque du Soleil Images Inc.
6. Cirque du Soleil Inspiration Inc.
7. CDS U.S. Holdings, Inc.
8. CDS U.S. Intermediate Holdings, Inc.
9. Cirque du Soleil Holding USA, Inc.
10. Cirque du Soleil (US), Inc.
11. Cirque du Soleil America, Inc.
12. VStar Entertainment Group, LLC
13. Cirque Dreams Holdings LLC
14. VStar Merchandising, LLC
15. VStar International, LLC
16. VStar Theatrical, LLC
17. VStar Touring, LLC
18. Cirque du Soleil Orlando, LLC
19. Cirque du Soleil Vegas, LLC
20. Cirque du Soleil Nevada, Inc.
21. Cirque du Soleil My Call, LLC
22. Velsi, LLC
23. Blue Man Inc.
24. Blue Man Group Holdings, LLC
25. Blue Man Group Records, LLC
26. Astor Show Productions, LLC
27. Blue Man Group Publishing, LLC
28. Blue Man Vegas, LLC
29. Blue Man Orlando, LLC
30. Blue Man Productions, LLC
31. Blue Man Chicago, LLC
32. 9415-8185 Québec Inc.
33. 9415-8219 Québec Inc.
34. 9415-8227 Québec Inc.
35. 9415-8235 Québec Inc.
36. Création 4U2C Inc.
37. Blue Man International, LLC
38. Cirque du Soleil Radio CT Holding, LLC
39. Cirque du Soleil Radio CT, LLC
40. The Works Entertainment, LLC
41. Cirque Theatrical, LLC
42. Cirque on Broadway, LLC
43. Joie de Vie, LLC

**Limited Partnerships**

1. Cirque du Soleil Holdings L.P.
2. CDS Canada 3 L.P.
3. CDS Canada 4 L.P.
4. Blue Man Boston Limited Partnership
5. CDS Canada 1 SCSp (Luxembourg special limited partnership)
6. CDS Canada 2 SCSp (Luxembourg special limited partnership)

## SCHEDULE B

### Contact Information

<b>Greenhill</b> 300 Park Avenue New York, NY 10022 USA	<b>National Bank</b> 1155 Metcalfe St., 23rd Floor Montreal, QC H3B 4S9 Canada
<b>Neil Augustine</b> <b>Vice Chairman and Co-Head of Financing Advisory and Restructuring</b> Phone (212) 389-1539 neil.augustine@greenhill.com  <b>Jonathan Brownstein</b> <b>Managing Director</b> Phone (212) 389-1596 jonathan.brownstein@greenhill.com	<b>David Savard</b> <b>Managing Director, Head of M&amp;A and Financial Sponsors</b> Phone (514) 390-7429 david.savard@nbc.ca  <b>Nicolas Jacob</b> <b>Managing Director</b> Phone (514) 390-7841 nicolas.jacob@nbc.ca
<b>Ernst &amp; Young Inc.</b> 900 Boulevard de Maisonneuve West, Suite 2300 Montreal, Quebec, H3A 0A8, Canada	
<b>Martin Rosenthal</b> <b>Senior Vice President Strategy &amp; Transactions</b> Phone (514) 879-6549 martin.rosenthal@ca.ey.com  <b>Martin Daigneault</b> <b>Senior Vice President Strategy &amp; Transactions</b> Phone (514) 874-4333 martin.daigneault@ca.ey.com  <b>Todd Caluori</b> <b>Senior Vice President Strategy &amp; Transactions</b> Phone (514) 879-2793 todd.caluori@ca.ey.com	

**SCHEDULE C**  
**Wire Instructions**

**INSTRUCTIONS FOR : PAYMENT IN CAD**

**SWIFT MT103**  
**NATIONAL BANK OF CANADA**

***Montreal***

SWIFT code: BNDC CAMM INT

**(57) PAYMENT TO:**

*Branch number:* //CC0006 0 0 0 1 1  
NATIONAL BANK OF CANADA  
*Branch address:* 600 de la Gauchetière Ouest  
Montreal, Quebec  
H3B 4L2  
Canada

**(59) IN FAVOR OF:**

*Account number:* / 1 3 4 0 2 2 3  
*Beneficiary Name:* Ernst & Young Inc., General Trust  
*Beneficiary address:* 900, boul. De Maisonneuve Ouest  
Bureau 2300  
Montreal, Quebec  
H3A 0A8  
Canada

**(70) DETAILS:**

*(Ex. Invoice number)*

:  
:

**INSTRUCTIONS FOR : DIRECT PAYMENT TO NATIONAL BANK OF CANADA IN USD**

**SWIFT MT103**

**NATIONAL BANK OF CANADA**

Montreal

SWIFT code: BNDC CAMM INT

**BENEFICIARY BANK:**

*Branch number:* //CC0006 0 0 0 1 1

NATIONAL BANK OF CANADA

*Branch address:* 600 de la Gauchetière West

Montréal, Québec

H3B 4L2

Canada

**BENEFICIARY:**

*Account number:* / 0 0 2 9 3 6 2

*Beneficiary name:* Ernst & Young Inc., General Trust

*Beneficiary address:* 900, boul. De Maisonneuve Ouest

Suite 2300

Montreal, Quebec

H3A 0A8

Canada

**DETAILS OF PAYMENT:**

**U.S. CORRESPONDENT:** JPMORGAN Chase Bank, New York

*ABA #:* 021000021

*SWIFT Code:* CHASUS33