

COURT FILE NUMBER	2501-19519	Clerk's stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
MATTER	IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED  AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF CABOT ENERGY INC.	
APPLICANT	CABOT ENERGY INC.	
DOCUMENT	<b>ORDER (APPROVING SALE AND INVESTMENT SOLICITATION PROCESS)</b>	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<b>STIKEMAN ELLIOTT LLP</b> Barristers & Solicitors 4200 Bankers Hall West 888-3rd Street SW Calgary, AB T2P 5C5  <b>Karen Fellowes, K.C. /Isis Tse</b> Tel: (403) 724-9469 / (403) 724-9488 Fax: (403) 266-9034 Email: kfellowes@stikeman.com / itse@stikeman.com	

File No.: 145811-1010

**DATE ON WHICH ORDER WAS PRONOUNCED:** December 18, 2025

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary, Alberta

**JUSTICE WHO MADE THIS ORDER:** The Honourable Justice Marion

UPON the application of Applicant, Cabot Energy Inc. ("Cabot"); AND UPON having read the Application for an Amended and Restated Initial Order, the Affidavit of Scott Aitken sworn December 12, 2025, the Affidavit of Service of Jessica Watts, First Report of the Monitor; AND UPON hearing counsel for the Applicant, and any other interested parties appearing at the application;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. The time for service of the notice of application for this order (the "Order") together with all supporting materials is hereby deemed good and sufficient and this application is properly returnable today.

## **APPROVAL OF SALE AND INVESTMENT SOLICITATION PROCESS**

2. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the sales and investment solicitation process attached hereto as **Appendix "A" ("SISP")**.
3. The SISP is approved in the form attached, which includes all or part of the Applicant's Property and Business as defined in the SISP, without exception. Sayer Energy Advisors is appointed as Sales Agent to carry out the SISP in cooperation with the Monitor. The Applicant, the Monitor (as defined below), the Sales Agent, and their advisors are authorized and directed to perform their respective obligations and to do all things reasonably necessary to perform their obligations under the SISP.
4. The Applicant, the Monitor, the Sales Agent, and their respective affiliates, partners, directors, employees, advisors (including but not limited to legal counsel), agents, shareholders and controlling persons shall have no liability with respect to any losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of the SISP or the conduct thereof, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or willful misconduct of any of the foregoing in performing their obligations under the SISP (as determined by this Court). Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Debtors and the Monitor may disclose personal information of identifiable individuals to Potential Bidders and their advisors in connection with the SISP, but only to the extent desirable or required to carry out the SISP. Each Potential Bidder (and their respective advisors) to whom any such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information solely to its evaluation of a transaction in respect of the Applicant and the Property, and if it does not complete such a transaction, shall return all such information to the Monitor, or in the alternative destroy all such information. The Successful Bidder shall be entitled to continue to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Applicant, and shall return all other personal information to the Monitor, or ensure that all other personal information is destroyed.

## **MISCELLANEOUS MATTERS**

5. The Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
6. Notwithstanding Rule 6.11 of the Alberta Rules of Court, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form

and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

7. Service of this Order shall be deemed good and sufficient by serving the same by posting a copy of this Order on the Monitor's website at: [www.ksvadvisory.com/experience/case/cabot](http://www.ksvadvisory.com/experience/case/cabot)

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Justice of the Court of King's Bench of Alberta

## Appendix "A"

### SALE AND INVESTMENT SOLICITATION PROCESS

#### INTRODUCTION

On December 9, 2025, the Alberta Court of King's Bench (the "**Court**") granted an Initial Order (the "**Initial Order**") pursuant to the Companies' Creditors Arrangement Act, 1985, c C-36 ("**CCAA**"), among other things, appointing KSV Restructuring Inc. ("**KSV**") as the monitor (the "**Monitor**") of the Applicant.

On December 18, 2025, the Court granted an amended and restated initial order (the "**ARIO**").

On December 18, 2025, the Court granted an order (the "**SISP Order**") which, among other things, directed and empowered the Sales Agent, in consultation with the Monitor and Applicant, to prepare and conduct a strategic sales and investment solicitation process ("**SISP**") to solicit offers for the Business or Property of the Applicant, in whole or in part, or investments related thereto. Capitalized terms not defined herein shall have the meaning ascribed to them in the ARIO.

The SISP Order and this SISP shall exclusively govern the process for soliciting and selecting bids for the sale of all, substantially all, or one or more portions of the Applicant's Business or Property, or for the restructuring, recapitalization or refinancing of the Applicant and the Applicant's Business. Under the SISP, all qualified interested parties will be provided with an opportunity to participate in the SISP.

This document outlines the SISP, which is comprised principally of three stages: pre-marketing, marketing, and offering/evaluation.

#### OPPORTUNITY AND SISP SUMMARY

1. The SISP is intended to solicit interest in, and opportunities for a sale of, or investment in, all or part of the Applicant's Property or Business (the "**Opportunity**"). In order to maximize the number of participants that may have an interest in the Opportunity, the SISP will provide for the solicitation of interest for:
  - (a) the sale of the Applicant's interests in the Property. In particular, interested parties may submit proposals to acquire all, substantially all or a portion of the Applicant's Property (a "Sale Proposal"); or

- (b) an investment in the Business, which may include one or more of the following: a restructuring, recapitalization or other form of reorganization of the Business and affairs of the Applicant as a going concern, together with a plan of compromise or arrangement pursuant to the CCAA (an "Investment Proposal").
2. Except to the extent otherwise set forth in a definitive sale or investment agreement with a Successful Bidder (as defined below), any Sale Proposal or any Investment Proposal will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by, the Monitor or the Applicant, or any of their respective affiliates, agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Applicant in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders.
  3. Solicitation of interest for Sale Proposals and Investment Proposals will be on an unpriced basis whereby no set asking price will be stipulated.
  4. This SISP shall be conducted by the Sales Agent, in consultation with the Applicant.
  5. As described more fully in this SISP, the major stages in the within procedure will be comprised of the following:
    - (a) Pre-Marketing: preparation of all marketing material, assembly of all relevant due diligence material, establishment of an electronic data;
    - (b) Marketing: advertising, contacting potential buyers/investors, responding to requests for information and disseminating marketing material to potential buyers and investors; and
    - (c) Offer Submission and Evaluation: solicitation, receipt of, evaluation and negotiation of offers from potential buyers and investors, as described below.
  6. The offer submission and evaluation stage of the SISP will be comprised of a two phase offering process: "Phase 1" being the submission of letters of intent ("LOIs") from qualified bidders, and "Phase 2" being the submission of formal binding offers from those parties that submitted LOIs and that have been invited by the Sales Agent, in consultation with the Applicant and Monitor, to participate in Phase 2 (defined below as Phase 1 Qualified Bidders).

#### **TIMELINE**

7. The Sales Agent, in consultation with the Applicant and Monitor, shall commence the within SISP on or before January 9, 2026 (such time being referred to herein as the "Commencement Date"). As soon as reasonably practicable following the Commencement Date, the Monitor shall publish on its website established with respect to the Applicant's CCAA proceedings, a timeline of the key milestones set out below setting out the specific dates of the respective milestones. Furthermore, the Sales Agent shall publish the timeline in the Teaser Letter, referenced below.
8. The following table sets out the key milestones under the SISP:

<b>Milestone</b>	<b>Deadline</b>
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Commencement Date (prepare data room and associates documents)	January 9, 2026
Marketing Stage: Publication of Notice and Sending Teaser to Know Potential Buyers	January 9, 2026
Completion of "Phase I" – interested parties to submit a non-binding letter of intent	February 12, 2026 at 12:00 pm MST
Completion of "Phase II" – interested parties to submit a binding offer that meets at least the requirements set forth in the SISP	February 26, 2025 at 12:00 pm MST
Selection of the highest or otherwise best bid(s) (the "Successful Bid(s)")	March 12, 2025
Seek a Court order approving the Successful Bid(s)	As soon as practical
Close the transaction contemplated in the Successful Bid(s)	As soon as practical

## PRE-MARKETING STAGE

9. Prior to the Commencement Date:

- (a) the Sales Agent, in consultation with the Applicant and Monitor, will prepare: (i) a process summary (the "Teaser Letter") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; (ii) a non-disclosure agreement with the Sales Agent, the Monitor and the Applicant (an "NDA"); and (iii) a confidential Information Memorandum ("CIM"). The Teaser Letter, NDA and CIM shall be in form and substance satisfactory to the Sales Agent, in consultation with the Applicant and Monitor. The CIM will specifically stipulate that the Sales Agent, Monitor, the Applicant and each of their respective advisors make no representation or warranty as to the accuracy or completeness of the information contained in the CIM, the Data Room (as defined below), or made available pursuant to the SISP or otherwise, except to the extent expressly contemplated in any definitive sale or investment agreement with a Successful Bidder (as defined below) ultimately executed and delivered by the Sales Agent and Monitor;
- (b) the Sales Agent, with the assistance of the Applicant and Monitor, will gather and review all required due diligence material to be provided to interested parties and shall establish a secure, electronic data room (the "Data Room"), which will be maintained and administered by the Sales Agent during the SISP; and
- (c) the Sales Agent, with the assistance of the Applicant and Monitor, will develop a draft form of LOI ("LOI Form") and a purchase and sale agreement or investment agreement for use during the SISP.

## MARKETING STAGE

10. As soon as reasonably possible after the Commencement Date, the Sales Agent shall:

- (a) arrange for a notice of the SISP (and such other relevant information as the Sales Agent, in consultation with the Applicant considers appropriate) (the "Notice") to be published in the Daily Oil Bulletin, the website of the Monitor and any other newspaper or journals as the Sales Agent, in consultation with the Applicant and Monitor, considers appropriate, if any; and
  - (b) send the Teaser Letter and NDA to all parties that have approached the Sales Agent, Applicant, or Monitor indicating an interest in the Opportunity; and (ii) local, national and international strategic and financial parties who the Sales Agent believes may be interested in purchasing all or part of the Business and Property or investing in the Applicant pursuant to the SISP (collectively, "**Known Potential Bidders**"), and to any other party who responds to the Notice as soon as reasonably practicable after such identification or request, as applicable.
11. The Sales Agent will send the CIM and grant access to the Data Room to those parties who have executed and delivered the NDA to the Sales Agent as soon as reasonably practicable after such execution and delivery.
12. Requests for information and access to the Data Room will be directed to the Sales Agent, to the attention of the persons listed in Schedule "A" hereto. All printed information shall remain the property of the Applicant and, if requested by the Sales Agent, shall be returned without further copies being made and/or destroyed with an acknowledgement that all such material has either been returned and/or destroyed and no electronic information has been retained.
13. Any party who expresses a desire to participate in the SISP (a "**Potential Bidder**") must, prior to being given any additional information such as the CIM and access to the Data Room, provide to the Sales Agent an NDA executed by it, and which shall inure to the benefit of any ultimate Successful Bidder.
14. If a Potential Bidder has delivered the NDA and a Qualified LOI (as defined below) that is satisfactory to the Sales Agent, acting reasonably, then such Potential Bidder will be deemed to be a "**Phase 1 Qualified Bidder**". No Potential Bidder shall be deemed not to be a Phase 1 Qualified Bidder without the approval of the Sales Agent.

## OFFER SUBMISSION AND EVALUATION STAGE

### Phase 1

#### *Due Diligence*

15. The Sales Agent, in consultation the Applicant and the Monitor, and subject to competitive and other business considerations, will afford each Phase 1 Qualified Bidder such access to due diligence materials through the Data Room and information relating to the Property and Business as it deems appropriate. Due diligence access may further include management presentations with participation of the Sales Agent where appropriate, on-site inspections, and other matters which a Phase 1 Qualified Bidder may reasonably request and to which the Sales Agent, in its reasonable business judgment, may agree. The Sales Agent and the Applicant will each designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders and the manner in which such requests must be communicated. None of the Monitor, the Sales

Agent, or the Applicant will be obligated to furnish any information relating to the Property or Business to any person other than to Phase 1 Qualified Bidders. Further and for the avoidance of doubt, selected due diligence materials may be withheld from certain Phase 1 Qualified Bidders if the Sales Agent, in consultation with the Applicant and the Monitor, determines such information to represent proprietary or competitively sensitive information.

#### ***LOI Submission***

16. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they ultimately enter into with the Applicant.
17. A Phase 1 Qualified Bidder who wishes to pursue the Opportunity further must deliver an executed LOI, identifying each specific Property or Business the Phase 1 Qualified Bidder is interested in, to the Sales Agent at the addresses specified in **Schedule "A"** hereto (including by email or fax transmission), so as to be received by them not later than 12:00 PM (Calgary time) on or before February 12, 2026 at 12:00 pm MST (the "**Phase 1 Bid Deadline**").
18. An LOI so submitted will be considered a qualified LOI (a "**Qualified LOI**") only if:
  - (a) it is submitted on or before the relevant Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;
  - (b) it contains a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals and direct and indirect beneficial owners of the Potential Bidder it contains an indication of whether the Phase 1 Qualified Bidder is making a:
    - (i) Sale Proposal; or
    - (ii) an Investment Proposal;
  - (c) in the case of a Sale Proposal, it identifies or contains the following:
    - (i) the purchase price, in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation;
    - (ii) a description of each Property that is expected to be subject to the transaction and any of the Property or obligations for each Property expected to be excluded;
    - (iii) a specific indication of the financial capability, together with evidence of such capability, of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction;
    - (iv) a description of the approvals required for a final and binding offer;

- (v) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose including any asset and liability thresholds that must be met for the Phase 1 Qualified Bidder to submit a final and binding offer;
  - (vi) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and
  - (vii) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;
- (d) in the case of an Investment Proposal, it identifies the following:
- (i) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment in the Business;
  - (ii) the aggregate amount of the equity and/or debt investment to be made in the Business or the Applicant (including a description of which entity(s) will be invested in) in Canadian dollars;
  - (iii) the underlying assumptions regarding the *pro forma* capital structure;
  - (iv) a specific indication of the sources of capital for the Phase 1 Qualified Bidder and the structure and financing of the transaction;
  - (v) a description of the approvals required for a final and binding offer;
  - (vi) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose including any asset and liability thresholds that must be met for the Phase 1 Qualified Bidder to submit a final and binding offer;
  - (vii) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose;
  - (viii) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and
  - (ix) any other terms or conditions of the Investment Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;
- (e) in the case of a Sale Proposal, it contains a statement that the Phase 1 Qualified Bidder meets all eligibility requirements of governmental authorities to purchase and accept a transfer of the Property, including without limiting the generality of the foregoing, the eligibility requirements of the applicable federal and provincial legislation.
- (f) in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by the Sales agent from time to time.

19. The Sales Agent, in consultation with the Applicant and the Monitor, may waive compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified LOI. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

#### ***Preliminary Assessment of Phase 1 Bids and Subsequent Process***

20. Following the Phase 1 Bid Deadline, the Monitor, will assess the Qualified LOIs with respect to the Property or Business in consultation with the Sales Agent and the Applicant. If it is determined by the Sales Agent that a Phase 1 Qualified Bidder that has submitted a Qualified LOI: (i) has a bona fide interest in completing a Sale Proposal or Investment Proposal (as the case may be); and (ii) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial information provided; then such Phase 1 Qualified Bidder will be deemed to be a "Phase 2 Qualified Bidder", provided that the Sales Agent may, in its judgment but with the consent of the Monitor and Applicant, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some Phase 1 Qualified Bidders from the process). Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP.
21. The Sales Agent, in consultation with the Applicant and Monitor, will prepare a bid process letter for Phase 2 (the "**Bid Process Letter**"), which will include a draft purchase and sale agreement or investment agreement (a "Draft Purchase/Investment Agreement") which will be made available in the Data Room, and the Bid Process Letter and will be sent to all Phase 2 Qualified Bidders who are invited to participate in Phase 2.

#### **Phase 2: Formal Offers and Selection of Successful Bidder**

##### ***Formal Binding Offers***

22. Phase 2 Qualified Bidders that wish to make a formal Sale Proposal or an Investment Proposal shall submit to the Sales Agent a sealed binding offer that complies with all of the following requirements at the addresses specified in **Schedule "A"** hereto (including by email or fax transmission), so as to be received by the Sales Agent not later than 12:00 PM (Calgary time) on or before February 26, 2025 at 12:00 pm MST, or such other date and time as may be modified in the Bid Process Letter (the "**Phase 2 Bid Deadline**"):
  - (a) the bid shall comply with all of the requirements set forth in respect of Phase 1 Qualified LOIs;
  - (b) cash is the preferred form of consideration, but if the bid utilizes other consideration (including a form of credit bid), a description of the material terms of the consideration shall be provided;
  - (c) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Property or Business on terms and conditions reasonably acceptable to the Sales Agent, in consultation with the Monitor and the Applicant;
  - (d) unless otherwise agreed, the bid shall take the form of the Draft

Purchase/Investment Agreement (with a blackline showing any changes) and shall include a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until Court approval of a Successful Bidder (as defined below), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with such Successful Bidder;

- (e) the bid includes duly authorized and executed transaction agreements as listed in the Draft Purchase/Investment Agreement; including, but not limited to, the purchase price, investment amount, or a combination thereof and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto, and the name or names of the ultimate direct or indirect beneficial owner(s) of the Phase 2 Qualified Bidder including their respective percentage interests;
- (f) to the extent that a bid is conditional upon new or amended agreements being entered into with other parties, or existing agreements terminated, the interested parties shall provide the proposed terms of such terminated, amended or new agreements and identify how such agreements may differ from existing agreements to which the Applicant may be a party. A Phase 2 Qualified Bidder's willingness to proceed without such conditions and, where such conditions are included in the bid, the likelihood of satisfying such conditions shall be an important factor in evaluating the bid;
- (g) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, including the timetable for obtaining financing and, if appropriate, the amount of senior debt, subordinated debt, equity and other source of financing contemplated in the *pro forma* capital structure that will allow the Sales Agent and Monitor to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
- (h) the bid should identify any threshold of assets to be acquired or liabilities to be assumed as a condition to proceeding to close a transaction;
- (i) the bid should not be conditional on the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or competitively sensitive information which was withheld in Phase 2 from the Phase 2 Qualified Bidder;
- (j) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;
- (k) for a Sale Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a refundable deposit in the amount of not less than 10% of the purchase price offered upon the Phase 2 Qualified Bidder being selected as the Successful Bidder, which shall be paid to "KSV Restructuring Inc. in trust" (the "**Deposit**"). One half of the Deposit shall be paid to "KSV Restructuring Inc. in trust" upon the submission of the Phase 2 Qualified Bidder's Phase 2 Bid. The second half of the Deposit shall be submitted upon the Phase 2 Qualified Bidder being selected as the Successful Bidder. The Successful Bidder's Deposit shall be applied as against the Purchase Price and all other Deposits submitted by Phase 2 Qualified Bidders who are not selected as the Successful Bidder shall be returned within five (5) business

days of obtaining Court approval of the Successful Bid;

- (l) for an Investment Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a refundable deposit in the amount of not less than 10% of the total new investment contemplated in the bid upon the Phase 2 Qualified Bidder being selected as the Successful Bidder, which shall be paid to "KSV Restructuring Inc. in trust". One half of the Deposit shall be paid to "KSV Restructuring Inc. in trust" upon the submission of the Phase 2 Qualified Bidder's Phase 2 Bid. The second half of the Deposit shall be submitted upon the Phase 2 Qualified Bidder being selected as the Successful Bidder. The Successful Bidder's Deposit shall be applied as against the Purchase Price and all other Deposits submitted by Phase 2 Qualified Bidders who are not selected as the Successful Bidder shall be returned within five (5) business days of obtaining Court approval for the Successful Bid;
  - (m) the bid includes acknowledgments and representations of the Phase 2 Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property, Business and the Applicant prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or competitively sensitive information which was withheld in Phase 2 from the Phase 2 Qualified Bidder); (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever made by the Monitor, the Sales Agent, or the Applicant, whether express, implied, statutory or otherwise, regarding the Business, Property or the Applicant, or the accuracy or completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Applicant;
  - (n) all required corporate approvals of the Phase 2 Qualified Bidder will have been obtained prior to the submission of the bid;
  - (o) the bid shall identify any material conditions in favour of the purchaser to be resolved prior to closing the transaction;
  - (p) the bid is received by the relevant Phase 2 Bid Deadline; and
  - (q) the bid contemplates Court approval.
23. Following the Phase 2 Bid Deadline, the Monitor will assess the Phase 2 Bids received with respect to the Property or Business, in consultation with the Sales Agent and the Applicant. The Sales Agent will designate the most competitive bids that comply with the foregoing requirements to be "Phase 2 Qualified Bids". Only Phase 2 Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
24. The Monitor, in consultation with the Applicant and Sales Agent, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Phase 2 Qualified Bid.
25. The Sales Agent, in consultation with the Applicant and the Monitor, shall notify each Phase 2 Qualified Bidder in writing as to whether its bid constituted a Phase 2 Qualified Bid within ten (10) business days of the Phase 2 Bid Deadline, or at such later time as the Sales

Agent, in conjunction with the Monitor, deems appropriate.

26. If the Monitor is not satisfied with the number or terms of the Phase 2 Qualified Bids, the Monitor, in consultation with the Applicant and Sales Agent, may extend the Phase 2 Bid Deadline without Court approval.
27. The Monitor may terminate further participation in the Phase 2 Bid Process by any Qualified Phase 2 Bidder, or modify dates or procedures in this SISP as deemed appropriate or necessary, or terminate the process altogether.
28. The Monitor, in consultation with the Applicant and Sales Agent, may aggregate separate bids from unaffiliated Phase 2 Qualified Bidders to create one or more Phase 2 Qualified Bid(s).

#### ***Evaluation of Competing Bids***

29. A Phase 2 Qualified Bid will be evaluated based upon several factors, including, without limitation, items such as the Purchase Price and the net value and form of consideration to be paid pursuant to such bid (including the extent of value available to creditors of the Applicant), the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions, including any conditions attached to the bid and the expected feasibility of such conditions, the proposed transaction documents, factors affecting the speed, certainty and value of the transaction, the assets included or excluded from the bid, any related restructuring costs, compliance or eligibility with respect to the applicable federal and provincial legislation requirements, the likelihood and timing of consummating such transactions, and the ability of the bidder to finance and ultimately consummate the proposed transaction within the timeline established by the Monitor, in consultation with the Applicant.

#### ***Selection of Successful Bids***

30. The Monitor, in consultation with the Applicant and Sales Agent, may review and evaluate any or all Phase 2 Qualified Bids with the applicable Phase 2 Qualified Bidders, and such Phase 2 Qualified Bids may be amended, modified or varied as a result of such negotiations.
31. The Monitor, in consultation with the Applicant and Sales Agent, will identify the highest or otherwise best bid or bids, including an assessment of the bid(s) to determine whether the bids, or any combination thereof, will allow the Applicant to achieve its objective of addressing or disposing of all of its assets and liabilities (each, a "**Successful Bid**"), and the Phase 2 Qualified Bidder making such Successful Bid (the "**Successful Bidder**") for any particular Property or the Business in whole or part. The determination of any Successful Bid by the Monitor, in consultation with the Applicant shall be subject to approval by the Court.
32. The Monitor shall notify the Successful Bidder or Successful Bidders, as the case may be, that their bids constituted the Successful Bid or Bids within ten (10) business days of the date they were notified that their bids constituted Phase 2 Qualified Bids, or at such later time as the Monitor deems appropriate, in consultation with the Applicant.
33. The Applicant shall have no obligation to select a Successful Bid, and the Monitor, in

consultation with the Applicant, reserves the right to reject any or all Phase 2 Qualified Bids. Further, the Applicant shall have no obligation to enter into a definitive agreement with a Phase 2 Qualified Bidder.

### ***Sale Approval Application***

34. The Applicant shall apply to the Court (the "**Approval Application**") for orders approving any Successful Bid(s) and authorizing the Applicant to enter into any and all necessary agreements with respect to the Successful Bid(s).
35. The Approval Application will be held on a date to be scheduled by the Applicant with the Court, in consultation with the Monitor. The Approval Application may be adjourned or rescheduled by the Applicant, in consultation with the Monitor, without further notice, by an announcement of the adjourned date at the Approval Application or in a notice to the service list prior to the Approval Application.
36. All the Phase 2 Qualified Bids other than the Successful Bid(s), if any, shall be deemed rejected by the Monitor on and as of the date of approval of the Successful Bid(s) by the Court, but not before, and shall remain open for acceptance until that time.

### ***Deposits***

37. All Deposits shall be retained by the Monitor in a non-interest bearing trust account. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Application shall be applied against the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will become non-refundable. The Deposits of Phase 2 Qualified Bidders not selected as a Successful Bidder shall be returned to such bidders within five (5) business days of the date upon which the Approval Order is granted by the Court. If there is no Successful Bid, all Deposits shall be returned to the bidders within five (5) business days of the date upon which this SISP terminates in accordance with these procedures.

### ***Confidentiality and Access to Information***

38. Unless otherwise set out herein, participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Phase 1 Qualified Bidders, LOIs, Phase 2 Qualified Bidders, Phase 2 Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Sales Agent, Monitor, Applicant, and such other bidders or Potential Bidders in connection with the SISP. The Monitor may however, with the consent of the applicable participants, disclose such information to other bidders for the purpose of seeking to combine separate bids from Phase 1 Qualified Bidders or Phase 2 Qualified Bidders.
39. The Monitor may consult with any other parties with a material interest in the CCAA Proceedings regarding the status of and material information and developments relating to the SISP to the extent considered appropriate by the Monitor (subject to paragraph 39 and taking into account, among other things, whether any particular party is a Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder or other participant or prospective participant in the SISP or involved in a bid), provided that such parties shall have entered into confidentiality arrangements satisfactory to the Applicant and the Monitor.

### ***Supervision of the SISP***

40. The Monitor shall oversee the conduct of the SISP in all respects. Without limitation to that supervisory role, the Monitor will participate in the SISP in the manner set out in this SISP procedure and the SISP Order and is entitled to receive all information in relation to the SISP.
41. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between the Monitor, the Sales Agent, the Applicant and any Phase 1 Qualified Bidder, any Phase 2 Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be signed with the Applicant and approved by the Court. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.
42. Without limiting the preceding paragraph, the Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, Successful Bidder, or any other creditor or other stakeholder of the Applicant, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result of gross negligence or willful misconduct of the Monitor. By submitting a bid, each Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, or Successful Bidder shall be deemed to have agreed that it has no claim against, the Applicant, the Sales Agent, or the Monitor for any reason whatsoever, except to the extent such claim is the result of gross negligence or willful misconduct on their part, as determined by a final order of the Court.
43. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, Phase 2 Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
44. The Monitor shall have the right, in consultation with the Applicant, to modify the SISP and the deadlines set out herein (including, without limitation, pursuant to the Bid Process Letter) if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP.
45. This SISP shall terminate in the event that: (a) no Phase 2 Qualified Bidder submits a Qualified Phase 2 Bid by the Phase 2 Bid Deadline, and the Phase 2 Bid Deadline is not otherwise extended by the Monitor; or (b) the Monitor, in consultation with the Applicant, determines that none of the Phase 2 Qualified Bids should be accepted as a Successful Bid.
46. The approvals required pursuant to the terms of this SISP are in addition to, and not in substitution for, any other approvals required by applicable law in order to implement a Successful Bid.
47. In order to discharge its duties in connection with the SISP, the Monitor may engage professional or business advisors or agents as the Monitor deems fit in its sole discretion.
48. At any time during the SISP, the Monitor or the Applicant may apply to the Court for advice and directions with respect to any aspect of this SISP or the discharge of their respective

powers and duties hereunder.

49. In the event that there is disagreement as to the interpretation or application of the SISP, the Court will have jurisdiction to hear and resolve such dispute.