

Court File No.: CV-18-594380-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**MOTION RECORD
(Approval and Vesting Orders and Other Relief)
(returnable June 22, 2018)**

VOLUME 1 OF 2

June 15, 2018

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Fax: 416-597-6477

Mario Forte (LSUC#: 27293F)
Tel: 416.597.6477
Email: forte@gsnh.com

Michael Rotsztain (LSUC#: 17086M)
Tel: 416.597.7870
Email: rotsztain@gsnh.com

Jennifer Stam (LSUC#: 46735J)
Tel: 416.597.5017
Email: stam@gsnh.com

Lawyers for the Applicant

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TAB 1

**ONTARIO
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ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**NOTICE OF MOTION
(Approval and Vesting Orders and Other Relief)
(returnable June 22, 2018)**

Discovery Air Inc. (“Discovery” or the “Applicant”) will make a motion to Justice Hainey of the Commercial List on **Friday, June 22, 2018 at 10:00 a.m.** or as soon as after that time as the motion can be heard, at 330 University Avenue, 8th Floor, Toronto, Ontario.

THE PROPOSED METHOD OF HEARING: The motion is to be heard:

- in writing under subrule 37.12.1(1) because it is made without notice;
- in writing as an opposed motion under subrule 37.12.1(4); or
- orally.

THE MOTION IS FOR ORDERS:

- (a) abridging the time for service of the Notice of Motion and Motion Record in respect of this motion and dispensing with further service thereof;
- (b) approving the Asset Purchase Agreements (defined below) and vesting the Purchased Assets (defined below) in the Purchasers (defined below);
- (c) extending the Stay Period (as defined in the Initial Order, defined below) to and including July 31, 2018;

- (d) approving the Monitor's Reports (defined below) and the activities of the Monitor (defined below) set out therein;
- (e) approving the fees and disbursements of KSV Kofman Inc., in its capacity as Monitor, including the fees and disbursements of its legal counsel, as set out in the Kofman Affidavit and Latham Affidavit (each as defined below); and
- (f) such further and other relief as counsel may request and this Honourable Court deem just;

THE GROUNDS FOR THE MOTION ARE:

- (a) On March 21, 2018 (the "**Filing Date**") Discovery was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), pursuant to an initial order (the "**Initial Order**") of this Honourable Court and KSV Kofman Inc. ("**KSV**") was appointed as monitor (the "**Monitor**") in the CCAA proceedings (the "**CCAA Proceedings**");
- (b) From the outset, Discovery has indicated that the main purpose of its CCAA proceedings is to conduct a sale process for the sale of Discovery's assets which are comprised of its equity interests in Great Slave Helicopters Ltd. ("**GSH**"), Air Tindi Ltd ("**ATL**") and Discovery Mining Services Ltd ("**DMS**"), its 9.7% minority interest in Top Aces Holdings Inc. ("**TA Holdings**"), and other miscellaneous assets (collectively, the "**Assets**");

SALE SOLICITATION PROCESS

- (c) On April 4, 2018, this Court approved a sale solicitation process ("**SSP**") for the marketing and sale of the Discovery Assets and four (4) asset purchase agreements all dated March 21, 2018, between Clairvest Group Inc. (collectively, "**Clairvest**" and references to "**Clairvest**"¹ herein may refer to any or all affiliates and/or funds related to Clairvest, as applicable) (the "**Purchasers**") and Discovery (collectively,

¹ As applicable, the term "Clairvest" may also include Mr. G. John Krediet, an individual investor within the Clairvest group.

the “**Asset Purchase Agreements**”) to serve as “stalking horse agreements” in the SSP process;

- (d) The SSP was carried out in accordance with the approved terms and was overseen, conducted and run by the Monitor;
- (e) Upon the expiration of the bid deadlines under the SSP, no qualified bids were submitted in connection with any of the assets being marketed and as such, the Asset Purchase Agreements were declared the “successful bids” in the SSP process;
- (f) The Asset Purchase Agreements have not changed or been amended since they were entered into on March 21, 2018, and filed with this Court in connection with the motion for approval of the SSP;
- (g) The market has been fully canvassed and no further marketing of the subsidiary shares and other assets being sold under the Asset Purchase Agreements would result in a more favourable transaction;

STAY EXTENSION

- (h) Discovery has been and continues to act in good faith and with due diligence in the conduct of its CCAA proceedings;
- (i) The extension of the Stay Period to and including July 31, 2018 is necessary to allow Discovery to close the various sale transactions;
- (j) An updated cash flow forecast covering the period through the proposed extension period is or will be attached in a report of the Monitor to be filed in connection with this motion;

APPROVAL OF MONITOR’S REPORTS, ACTIVITIES AND FEES

- (k) The third report of the Monitor dated April 24, 2018 and the fourth report of the Monitor dated June 15, 2018 (the “**Fourth Report**”) (to be filed) (collectively, the

“**Monitor’s Reports**”) set out the specific activities of the Monitor and have provided useful information to the Court;

- (l) The fees and disbursements of the Monitor from March 21, 2018, being the commencement of these proceedings, until May 31, 2018 total approximately \$392,000 (excluding HST);
- (m) The fees and disbursements of Goodmans LLP, legal counsel to the Monitor, from March 21, 2018 until May 31, 2018 total approximately \$204,000 (excluding HST);
- (n) The fees of the Monitor and its legal counsel also include activities prior to the date of the Initial Order in connection with preparing for these proceedings, which was contemplated by paragraph 31 of the Initial Order;
- (o) The hourly rates charged are consistent with the rates charged by corporate law firms practicing in the area of corporate insolvency and restructuring in the Toronto market and are reasonable and appropriate in the circumstances;

GENERAL

- (p) The provisions of the CCAA; and
- (q) Such further and other grounds as counsel may advise and this Honourable Court permit.

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

- (a) The affidavit of Paul Bernards, sworn March 21, 2018;
- (b) The affidavit of Paul Bernards, sworn March 28, 2018;
- (c) The affidavit of Paul Bernards, sworn June 15, 2018;
- (d) The affidavit of Robert Kofman, sworn June 14, 2018 (the “**Kofman Affidavit**”), to be filed;
- (e) The affidavit of Joseph Latham, sworn June 14, 2018 (the “**Latham Affidavit**”), to be filed;

- (f) The Fourth Report of the Monitor, to be filed;
- (g) The Initial Order dated March 21, 2018;
- (h) SSP Approval Order dated April 4, 2018; and
- (i) Such further and other evidence as counsel may advise and this Honourable Court may permit.

June 15, 2018

GOLDMAN SLOAN NASH & HABER LLP
 480 University Avenue, Suite 1600
 Toronto, Ontario M5G 1V2
 Fax: 416-597-6477

Mario Forte (LSUC#: 27293F)
 Tel: 416.597.6477
 Email: forte@gsnh.com

Michael Rotsztain (LSUC#: 17086M)
 Tel: 416.597.7870
 Email: rotsztain@gsnh.com

Jennifer Stam (LSUC#: #46735J)
 Tel: 416.597.5017
 Email: stam@gsnh.com

Lawyers for the Applicant

TO: The Attached Service List

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

Court File No: CV-18-594380-00CL

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced TORONTO

NOTICE OF MOTION

**(Approval and Vesting Orders and Other Relief
(returnable June 22, 2018))**

GOLDMAN SLOAN NASH & HABER LLP

480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Fax: 416-597-6477

Mario Forte (LSUC#: 27293F)

Tel: 416.597.6477

Email: forte@gsnh.com

Michael Rotsztain (LSUC#: 17086M)

Tel: 416.597.7870

Email: rotsztain@gsnh.com

Jennifer Stam (LSUC#: #46735J)

Tel: 416.597.5017

Email: stam@gsnh.com

Lawyers for the Applicant

TAB 2

Court File No.: CV-18-594380-00CL

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ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**AFFIDAVIT OF PAUL BERNARDS
(sworn June 15, 2018)**

I, Paul Bernards, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY:

1. I am the Chief Financial Officer of Discovery Air Inc. (“**Discovery**” or the “**Applicant**”), a position that I have held since April 1, 2014. Prior to that time, I was a consultant to Discovery from March 17 to April 1, 2014. As such, I have personal knowledge of the matters to which I hereinafter depose in this Affidavit. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, believe it to be true.

2. This Affidavit is sworn in support of a motion by Discovery for orders, *inter alia*,:

- (a) approving the Asset Purchase Agreements (defined below) and vesting the Purchased Assets (defined below) in the Purchasers (defined below);
- (b) extending the Stay Period (defined below) to and including July 31, 2018;
- (c) approving the Monitor’s Third Report dated April 24, 2018 and the Monitor’s Fourth Report dated June 15, 2018 and the activities and conduct of the Monitor detailed therein; and

- (d) approving the fees and disbursements of KSV Kofman Inc. in its capacity as Monitor (defined below) including the fees and disbursements of its legal counsel.

BACKGROUND

3. On March 21, 2018, Discovery was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), pursuant to an initial order (the "**Initial Order**") of this Honourable Court and KSV Kofman Inc. was appointed as monitor (the "**Monitor**") in the CCAA proceedings.

4. Further details regarding the background of Discovery and the facts leading up to these proceedings are set out in my initial affidavit sworn March 21, 2018 (my "**Initial Affidavit**"), and therefore not repeated herein.

THE SALE SOLICITATION PROCESS

5. As set out in my Initial Affidavit, the main purpose of Discovery's CCAA proceedings has been to allow for the sale of Discovery's assets, which are comprised of its equity interests in Great Slave Helicopters Ltd. ("**GSH**"), Air Tindi Ltd. ("**ATL**") and Discovery Mining Services Ltd. ("**DMS**"), its minority interest in Top Aces Holdings Inc. ("**TA Holdings**"), and other miscellaneous assets including various contracts, intercompany claims owed to Discovery by its subsidiaries and all claims and causes of action of Discovery against other persons (collectively, the "**Assets**").

6. In furtherance of that process, on April 4, 2018, Discovery brought a motion (the "**SSP Motion**") seeking approval of a sale solicitation process (the "**SSP**") as well as approval of four (4) asset purchase agreements all dated as of March 21, 2018, between Clairvest Group Inc. (collectively, "**Clairvest**"¹ and references to "**Clairvest**" herein may refer to any or all affiliates and/or funds related to Clairvest, as applicable) and Discovery (collectively, the "**Asset Purchase Agreements**") to serve as "stalking horse agreements" in the SSP process. A summary of the terms of the SSP and the Asset Purchase Agreements were set out in more detail in my affidavit

¹ As applicable, the term "Clairvest" may also include Mr. G. John Krediet, an individual investor within the Clairvest group.

sworn March 28, 2018 (my “**March 28 Affidavit**”), and the first report of the Monitor dated March 29, 2018. Copies of the Asset Purchase Agreements, including the form of approval and vesting orders agreed to as between the vendor and purchasers, were also all attached as exhibits to my March 28 Affidavit and are also attached as **Exhibits “A” through “D”** hereto. The Asset Purchase Agreements have not changed or been amended since they were entered into on March 21, 2018 and filed with this Court in connection with the SSP Motion.

7. On April 4, 2018, this Court granted an order (the “**SSP Order**”) approving the SSP and the Asset Purchase Agreements for the purposes of acting as stalking horse agreements. Given the relationship between Discovery and Clairvest, including Clairvest’s role as stalking horse bidder and DIP Lender, and the fact that certain principals and employees of Clairvest are directors of Discovery, the terms of the SSP provided that it would be overseen, conducted and run by the Monitor. Further, the terms of the SSP provide that Clairvest was not entitled to any information regarding the SSP that was not also provided to other Qualified Bidders.

8. Details regarding the conduct of the SSP and participation in the SSP by other interested parties is or will be set out in a report of the Monitor to be filed in connection with this motion. Briefly, I am aware that, upon expiration of the bid deadlines under the SSP, no qualified bids were submitted in connection with any of the assets being marketed. As such, the Asset Purchase Agreements were declared the “successful bids” in the SSP process. During the conduct of the SSP, the Company cooperated with the Monitor fully and was provided updates on the Monitor’s progress. I believe the market has been fully canvassed and do not believe that any further marketing of the subsidiary shares and other assets being sold under the Asset Purchase Agreements would result in a more favourable transaction.

STAY EXTENSION AND CASH FLOW FORCAST

9. The current Stay Period (as defined in the Initial Order) expires on June 29, 2018. Discovery is seeking an extension of the Stay Period (as defined in the Initial Order) to and including July 31, 2018 which will allow Discovery to close the various sale transactions. I believe that Discovery has been and continues to act in good faith and with due diligence in the conduct of its CCAA proceedings. I have been working with the Monitor to prepare an updated cash flow forecast that will be attached to the Monitor’s report.


APPROVAL OF MONITOR'S REPORTS, CONDUCT AND FEES

10. I understand the Monitor's report will contain information regarding its and its counsel's activities, fees and disbursements throughout these proceedings. Discovery supports the Monitor's request for approval of such fees and disbursements and of the Monitor's Third Report and Fourth Report and the conduct and activities of the Monitor detailed therein.

CONCLUSION

11. Approval of the sale transactions will allow Discovery to complete its stated purpose of these CCAA proceedings. With the completion of the SSP process, the approval of the Asset Purchase Agreements and related relief will allow for the transactions to close. I anticipate that shortly after the closing of the transactions, Discovery will return to this Court to seek an order allowing Discovery to make an assignment into bankruptcy; however, the extension of the Stay Period is required in the meantime in order to allow the closing of the transactions.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 15th day of June, 2018.



Commissioner for taking affidavits
Robert J. Drake



PAUL BERNARDS

TAB A

This is Exhibit "A" referred to in the
affidavit of Paul Bernards
sworn before me at Toronto
this 15 day of June 2018.

A Commissioner for taking Affidavits for Ontario

**ASSET PURCHASE AGREEMENT
(TOP ACES)**

DISCOVERY AIR INC.

as Seller

- and -

CEP IV CO-INVESTMENT LIMITED PARTNERSHIP

CLAIRVEST EQUITY PARTNERS IV LIMITED PARTNERSHIP

CLAIRVEST EQUITY PARTNERSHIP IV-A LIMITED PARTNERSHIP

DA HOLDINGS LIMITED PARTNERSHIP

G. JOHN KREDIET

as Buyers

March 21, 2018

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of March 21, 2018

BETWEEN:

DISCOVERY AIR INC., a corporation incorporated under the laws of the Province of Ontario, and continued under the laws of Canada

(the “**Seller**”)

- and -

CEP IV CO-INVESTMENT LIMITED PARTNERSHIP, a limited partnership existing under the laws of the Province of Manitoba

CLAIRVEST EQUITY PARTNERS IV LIMITED PARTNERSHIP, a limited partnership existing under the laws of the Province of Ontario

CLAIRVEST EQUITY PARTNERSHIP IV-A LIMITED PARTNERSHIP, a limited partnership existing under the laws of the Province of Ontario

DA HOLDINGS LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of Ontario

G. JOHN KREDIET, an individual resident of the Netherlands

(collectively, the “**Buyers**”)

RECITALS:

- A. The Seller, through its subsidiaries, provides specialty aviation services to governments, airlines, and natural resource and other business customers, operating across Canada and in select locations internationally, including the United States, Bolivia, Australia, and Chile (together with any other business in which the Seller is engaged on the date hereof, the “**Business**”).
- B. The Seller legally and beneficially owns, as at the date hereof, 253.83602 issued and outstanding Class A common shares in the capital of Top Aces Holdings Inc. (“**TA Holdings**”), which legally and beneficially owns, as at the date hereof, one hundred per cent of the issued and outstanding Class A common shares and Class B common shares in the capital of Top Aces Inc. (“**TA**”, and all such shares of TA, collectively, the “**TA Shares**”). The Seller legally and beneficially owns certain other property, assets and undertaking that are used in connection with the business conducted by TA and TA Holdings (the “**TA Business**”).
- C. On March 21, 2018, the Seller commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”), and an initial

order (the “**Initial CCAA Order**”) was granted by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), pursuant to which, *inter alia*, KSV Kofman Inc. was appointed as the monitor of the Seller (in such capacity, the “**Monitor**”).

- D. As at January 31, 2018, the Seller is indebted to the Buyers pursuant to the Clairvest Convertible Debentures (as defined herein), in the aggregate principal amount of \$72,700,000 (such amount, together with all outstanding interest, fees and costs incurred relating thereto, at any given time, the “**Clairvest Secured Indebtedness Amount**”), which indebtedness is secured by the Clairvest Security Documents (as defined herein).
- E. Pursuant to the DIP Credit Agreement (as defined herein), CEP IV Co-Investment Limited Partnership, an affiliate of Clairvest, has agreed to provide a secured super-priority debtor-in-possession non-revolving credit facility of up to \$12,600,000 (the indebtedness thereunder, including outstanding interest, fees and costs incurred relating thereto, at any given time, the “**Clairvest DIP Indebtedness Amount**”).
- F. The Seller wishes to sell, and the Buyers wish to purchase as a “stalking horse bidder” pursuant to the Sale Procedures and the Sales Procedures Order (each, as defined herein), the Purchased Assets (as defined herein), subject to the terms and conditions of this Agreement.
- G. The Seller has determined that it is in the best interests of its stakeholders to enter into this Agreement and, subject to the terms and conditions herein, to consummate the transactions contemplated herein on the terms set forth herein.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Agreement,

- (a) “**affiliate**” of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly through one or more intermediaries, and “**control**” and any derivation thereof means the control by one Person of another Person in accordance with the following: a Person (“**A**”) controls another Person (“**B**”) where A has the power to determine the management and policies of B by contract or status (for example the status of A being the general partner of B) or by virtue of beneficial ownership of a majority of the voting interests in B; and for certainty and without limitation, if A owns shares to which are attached more than 50% of the votes permitted to be cast in the election of directors (or other Persons performing a similar role) of B, then A controls B for this purpose;

- (b) “**Agreement**” means this Asset Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and all attached Schedules and unless otherwise indicated, references to Articles, Sections and Schedules are to Articles, Sections and Schedules in this Agreement;
- (c) “**Applicable Law**” means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, restriction, by-law (zoning or otherwise), order, or any consent, exemption, approval or licence of any Governmental Authority, that applies in whole or in part to the Transaction, the Seller, the Buyers, the Business or any of the Purchased Assets;
- (d) “**Approval and Vesting Order**” means the form of Court order attached as Schedule “1.1(d)” hereto, with any amendments thereto to be acceptable to each of the Seller and the Buyers, each acting reasonably;
- (e) “**Assigned Contracts**” has the meaning given to such term in Section 2.1(b); and
- (f) “**Assumed Liabilities**” has the meaning given to such term in Section 2.2;
- (g) “**Business**” has the meaning given to such term in Recital A;
- (h) “**Business Day**” means any day, other than a Saturday or Sunday, on which the principal commercial banks in Toronto are open for commercial banking business during normal banking hours;
- (i) “**Buyers**” has the meaning given to such term in the preamble to this Agreement;
- (j) “**CCAA**” has the meaning given to such term in Recital C;
- (k) “**CCAA Proceedings**” has the meaning given to such term in Recital C;
- (l) “**Clairvest Convertible Debentures**” means the convertible debentures issued by the Seller on September 23, 2011, and administered by Clairvest GP;
- (m) “**Clairvest Credit Bid Amount**” means the portion of the Clairvest Secured Indebtedness Amount and the Clairvest DIP Indebtedness Amount that, in the aggregate total \$20,825,000, and that is to be credit bid by the Buyer in partial satisfaction of the Purchase Price;
- (n) “**Clairvest DIP Indebtedness Amount**” has the meaning given to such term in Recital E;
- (o) “**Clairvest GP**” means Clairvest GP Manageco Inc.;
- (p) “**Clairvest Secured Indebtedness Amount**” has the meaning given to such term in Recital D;

- (q) **“Clairvest Security Documents”** means all documents, contracts and agreements pursuant to which Encumbrances have been created or granted to or for the benefit of the debentureholders under the Clairvest Convertible Debentures and/or Clairvest GP to secure payment and performance of the Seller’s obligations to the debentureholders under the Clairvest Convertible Debentures and/or Clairvest GP (including payment of the Clairvest Secured Indebtedness Amount), including debentures, general security agreements, pledges of equity, and aircraft-specific security, charging all or certain present and after-acquired assets, personal property and undertakings of the Seller;
- (r) **“Closing”** means the completion of the Transaction at the Closing Time;
- (s) **“Closing Date”** means July 31, 2018, or such later date as the Parties may agree in writing, acting reasonably;
- (t) **“Closing Documents”** means all contracts, agreements and instruments required by this Agreement to be delivered at or before the Closing;
- (u) **“Closing Time”** means 10:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place;
- (v) **“Confidential Information”** means non-public, confidential, personal or proprietary information which is furnished to a Party by the other Party, including, without limitation, information about identifiable individuals, any information relating to a Party and its Affiliates or any customer or supplier of a Party; provided that “Confidential Information” does not include information that:
 - (i) is or becomes generally available to the public other than as a result of disclosure in breach of this Agreement;
 - (ii) is received by a Party from a third party that obtained it lawfully and was under no duty of confidentiality;
 - (iii) was lawfully in a Party’s possession prior to disclosure thereof by the other Party; or
 - (iv) was independently developed by a Party without use of, or reference to, the other Party’s Confidential Information;
- (w) **“Contracts”** means contracts, licences, permits, leases, agreements, commitments, entitlements or engagements;
- (x) **“Court”** has the meaning given to such term in Recital C;
- (y) **“Court Approval”** means the issuance of the Approval and Vesting Order by the Court;

- (z) “**Court Orders**” has the meaning given to such term in Section 8.1(c);
- (aa) “**DIP Credit Agreement**” means the debtor-in-possession loan term sheet between CEP IV Co-Investment Limited Partnership and the Seller;
- (bb) “**Encumbrance**” means any security interest, lien, prior claim, charge, hypothec, hypothecation, reservation of ownership, pledge, encumbrance, mortgage or adverse claim of any nature or kind;
- (cc) “**Excluded Liabilities**” has the meaning given to such term in Section 2.2;
- (dd) “**Final**” with respect to any order of any court of competent jurisdiction, means that leave to appeal or reconsideration shall not have been sought in respect of such order and that such order shall not have been stayed, appealed, varied (except with the consent of the Buyers and the Seller) or vacated, and all time periods within which leave to appeal and reconsideration could at law be sought shall have expired and all time periods within which such order could at law be appealed shall have expired;
- (ee) “**Governmental Authority**” means any domestic or foreign government, regulatory authority, governmental department, agency, ministry, commission, bureau, court (including the Court), tribunal, judicial body, arbitral body, commission, stock exchange, board or other law, rule or regulation-making entity:
 - (i) having jurisdiction over the Seller, the Buyers, the Transaction or the Purchased Assets on behalf of any country, province, state, municipality or other geographical or political subdivision thereof; or
 - (ii) exercising or entitled to exercise any administrative, judicial, legislative, regulatory or Taxing Authority or power;
- (ff) “**Governmental Authorizations**” means the permits, licences, approvals and authorizations, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued to or held or required by the Seller relating to the Business or any of the Purchased Assets by or from any Governmental Authority;
- (gg) “**HST**” means the sales tax payable under the HST Legislation;
- (hh) “**HST Legislation**” means Part IX of the *Excise Tax Act* (Canada);
- (ii) “**IFRS**” means International Financial Reporting Standards;
- (jj) “**including**” and “**includes**” shall be interpreted on an inclusive basis and shall be deemed to be followed by the words “without limitation”;
- (kk) “**Initial CCAA Order**” has the meaning given to such term in Recital C;

- (ll) **“Material Adverse Change”** or **“Material Adverse Effect”** means any change, development, effect, event, circumstance, fact or occurrence that, individually or in the aggregate with such other changes, developments, effects, events, circumstances, facts or occurrences, is, or would reasonably be expected to be, material and adverse to the business, properties, assets, liabilities (contingent or otherwise), condition (financial or otherwise), operations or results of operations of the Seller, TA Holdings, TA, the Business, the TA Business and/or the Purchased Assets, or that prevents or materially delays or would reasonably be expected to prevent or materially delay the Seller from Closing; other than any change, development, effect, event, circumstance, fact or occurrence arising out of, attributable to or resulting from: (A) any action expressly required or permitted by this Agreement or relating to the Seller’s current financial condition, including the CCAA Proceedings; (B) general political, economic or financial conditions in Canada or elsewhere in the world; (C) any change generally affecting the industries in which the Business and/or the TA Business is conducted (including changes in prices, costs of materials, labor, or shipping, general market prices, or regulatory changes in any such industry); (D) acts of terrorism or war (whether or not declared); (E) any changes to existing Applicable Law (including the interpretation thereof); (F) any changes to IFRS or the adoption, implementation or proposal of any new accounting principles; (G) hurricanes, earthquakes, storms, floods or other natural disasters, epidemics, pandemics, outbreak or escalation of hostilities, the declaration of war, acts or terrorism, or acts of God; (H) any action consented to by the Buyers; (I) any failure by the Seller to meet any projections or estimates (including internal projections or estimates) of revenues, earnings, working capital or performance for any period or (J) material dispositions or change in financial circumstance from a sale under the Sale Procedures;
- (mm) **“Monitor”** has the meaning given to such term in Recital C;
- (nn) **“Monitor’s Certificate”** means the certificate filed with the Court by the Monitor certifying that the Monitor has received written confirmation, in form and substance satisfactory to the Monitor, from the Seller and the Buyers that: (i) all conditions to Closing set forth in Article 6 have been satisfied or waived; and (ii) the Buyers have paid, and the Seller has received, the Purchase Price;
- (oo) **“Parties”** means the Seller and the Buyers collectively, and **“Party”** means either the Seller or each of the Buyers, as applicable;
- (pp) **“Permitted Encumbrances”** means, with respect to the Purchased Assets:
 - (i) Encumbrances imposed by Applicable Law that rank in priority as at the Closing Date to the Encumbrances created by or resulting from the Clairvest Security Documents, including, but not limited to: (i) any applicable Encumbrances in favour of mechanics, labourers, workmen, builders, contractors, suppliers of goods or services, or other similar Encumbrances incidental to construction, maintenance or repair

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- operations; and (ii) any applicable purchase money security interests under applicable personal property security legislation; and
- (ii) other than for any restrictions in respect of the Transaction, any transfer restrictions on the TA Holdings Shares or the TA Shares;
- (qq) **“Person”** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;
- (rr) **“Purchase Price”** has the meaning given to such term in Section 3.1;
- (ss) **“Purchased Assets”** has the meaning given to such term in Section 2.1;
- (tt) **“Residual Assets”** means all of the assets, property and undertaking of the Seller, including, without limitation, the Assigned Contracts, but excluding: (i) the assets, property and undertaking owned by the Seller and used solely in connection with or for the benefit of Great Slave Helicopters Ltd. and its business; (ii) the assets, property and undertaking owned by the Seller and used solely in connection with or for the benefit of Air Tindi Ltd. and its business; (iii) the assets, property and undertaking owned by the Seller and used solely in connection with or for the benefit of Discovery Mining Services Ltd. and its business; (iv) the assets, property and undertaking owned by the Seller and used solely in connection with or for the benefit of the TA and the TA business; (v) the issued and outstanding common shares and any other equity interests owned or held by the Seller in the capital of any subsidiary (including, without limitation, its inactive subsidiary, Discovery Air Technical Services Inc.); and (vi) any other assets, property, and undertaking of the Seller identified by the Buyers in writing on or before the Closing Date as being an excluded asset (provided, for greater certainty, that there shall be no reduction in the Purchase Price resulting therefrom);
- (uu) **“Restricted Rights”** has the meaning given to such term in Section 2.3;
- (vv) **“Sale Procedures”** means the sale solicitation process scheduled to the Sale Procedures Order, with any amendments thereto to be acceptable to each of the Seller and the Buyers, each acting reasonably;
- (ww) **“Sale Procedures Order”** means the form of Court order attached as Schedule “1.1(ww)” hereto, with any amendments thereto to be acceptable to each of the Seller and the Buyers, each acting reasonably;
- (xx) **“Seller”** has the meaning given to such term in the preamble to this Agreement;
- (yy) **“Services Agreement”** means the Services Agreement made as of March 21, 2018, among the Seller and its subsidiaries;

- (zz) “**TA**” has the meaning given to such term in Recital B;
- (aaa) “**TA Business**” has the meaning given to such term in Recital B;
- (bbb) “**TA Holdings**” has the meaning given to such term in Recital B;
- (ccc) “**TA Holdings Shares**” has the meaning given to such term in Section 2.1;
- (ddd) “**TA Shares**” has the meaning given to such term in Recital B;
- (eee) “**Tax**” and “**Taxes**” means any and all:
 - (i) taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Authority, including those with respect to goods and services, harmonized sales, transfer, land transfer, use, real or personal property, and registration fees; and
 - (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority on or in respect of amounts of the type described in clause (i) above or this clause (ii);
- (fff) “**Tax Act**” means the *Income Tax Act* (Canada), as amended and any relevant legislation of a province imposing tax similar to the *Income Tax Act* (Canada);
- (ggg) “**Taxing Authority**” means any Governmental Authority, domestic or foreign, having jurisdiction over the assessment, determination, collection, or other imposition of any Tax;
- (hhh) “**Transaction**” means, collectively, the of sale and purchase of the Purchased Assets pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the sale and purchase of the Purchased Assets;
- (iii) “**Transfer Taxes**” has the meaning given to such term in Section 7.4(c);
- (jjj) “**Transition Services**” has the meaning given to such term in Section 7.6; and
- (kkk) “**Transition Services Agreements**” has the meaning given to such term in Section 7.6.

1.2 Schedules

The schedules to this Agreement are an integral part of this Agreement.

<u>Schedule</u>	<u>Description</u>
Schedule 1.1(d)	Form of Approval and Vesting Order

Schedule 1.1(ww)	Sale Procedures Order
Schedule 2.1(b)	Assigned Contracts

1.3 Statutes

Unless specified otherwise, reference in this Agreement to a statute refers to that statute as it may be amended, or to any restated or successor legislation of comparable effect.

1.4 Headings and Table of Contents

The inclusion of headings and a table of contents in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

1.5 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.6 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars.

1.7 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

1.8 Entire Agreement

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

1.9 Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by all Parties hereto. No waiver of any

provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

1.10 Governing Law; Jurisdiction and Venue

This Agreement, the rights and obligations of the Parties under this Agreement, and any claim or controversy directly or indirectly based upon or arising out of this Agreement or the Transaction (whether based on contract, tort, or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof. The Parties consent to the exclusive jurisdiction and venue of the Court prior to a Final order of the Court terminating the CCAA Proceedings and thereafter to the Courts of Ontario for the resolution of any disputes arising under this Agreement. Each Party agrees that service of process on such Party as provided in Section 11.6 shall be deemed effective service of process on such Party.

1.11 Buyers' Representative

- (a) Each Buyer, by entering into this Agreement, irrevocably agrees that Clairvest GP is authorized and required to act in its discretion in the name of and on behalf of all Buyers in all respects in connection with all provisions under this Agreement, including taking all decisions, carrying out actions, sending and receiving notices and consenting and agreeing to amendments, waivers and modifications. The Seller shall recognize Clairvest GP as the Person entitled to exercise the rights granted to the Buyers and may rely on any action taken or decision made by Clairvest GP on behalf of the Buyers.
- (b) By executing this Agreement, Clairvest GP hereby: (i) accepts its appointment and authorization to act as Buyers' agent and attorney on behalf of the Buyers in accordance with the terms of this Agreement; and (ii) agrees to perform its obligations under, and otherwise comply with, this Section 1.11.

**ARTICLE 2
PURCHASE AND SALE**

2.1 Agreement to Purchase and Sell Purchased Assets

Upon and subject to the terms and conditions of this Agreement, at the Closing the Seller shall sell, assign, transfer, convey and deliver, and the Buyers shall purchase, free and clear of all Encumbrances other than the Permitted Encumbrances, all of the Seller's right, title and interest in, to and under, or relating to: (i) *TA Holdings Shares* – 253.83602 issued and outstanding Class A common shares in the capital of TA Holdings (the "**TA Holdings Shares**"), together with any share certificates, powers of attorney, endorsements, rights to purchase or otherwise acquire or obtain any additional shares of, or equity in, TA Holdings or TA, including, without limitation, any and all conversion rights in respect thereof, and transfer powers evidencing or in respect of the TA Holdings Shares; (ii) the assets, property and undertaking, owned by the Seller and used

solely in connection with or for the benefit of TA and the TA Business; and (iii) the Residual Assets (collectively the “**Purchased Assets**”), including, without limitation, the following property, assets and undertaking:

- (a) *Books and Records* – all original books and records, minute books, corporate seals, Tax records, taxpayer and other identification numbers and other documents relating thereto, and records otherwise relating to the organization, maintenance and existence of each of TA Holdings and TA (in the case of TA, only to the extent that the Seller has such assets) as Persons or otherwise relating to the TA Business or any administrative functions in respect thereof (including, without limitation, all books and records relating to any accounting, finance, payroll, human resource, and other administrative functions), and whether in hardcopy or electronic form;
- (b) *Assigned Contracts* – to the extent not already assigned by the Seller to TA pursuant to the Services Agreement, each of the Contracts relating to the TA Business set out on Schedule 2.1(b) hereto, as such schedule may be amended by Buyers in their sole discretion prior to Closing to add or remove Contracts (provided, for greater certainty, that there shall be no change in the Purchase Price resulting from any such additions or deletions to the schedule) (the “**Assigned Contracts**”);
- (c) *Intercompany Claims and Other Claims of the Seller Against Other Persons* – any and all debts, liabilities, obligations, causes of action and other claims that the Seller may have against TA Holdings, TA or any other Person (including, without limitation, the officers and directors of the Seller, TA Holdings or TA), whether presently existing or contingent, or otherwise based on facts in existence and knowable to the Seller as of the Closing Date; and
- (d) *Other Assets* – any other property, assets and undertaking of the Seller that are specifically identified by the Buyers on or before Closing and that relate to or are otherwise necessary to conduct the TA Business (provided, for greater certainty, that there shall be no further increase in the Purchase Price resulting therefrom).

On or before the Closing Date, the Buyers shall provide the Seller with a document specifying the number of TA Holdings Shares that each Buyer is to receive on Closing.

2.2 Assumption of Liabilities

The Buyers shall assume as of the Closing Date and shall pay, discharge and perform, as the case may be, from and after the Closing Date the following liabilities and obligations of the Seller (collectively, the “**Assumed Liabilities**”):

- (a) *Obligations under Assigned Contracts, etc.* – all liabilities and obligations (including any cure costs but excluding any post-filing costs, such post-filing costs to be paid by the Seller) under or in respect of the Assigned Contracts; and

- (b) *Permitted Encumbrances* – all liabilities and obligations arising from, or in relation to, the Permitted Encumbrances,

but the Buyers shall not be liable for, or assume, any other obligations or liabilities of the Seller (all such other obligations or liabilities, the “**Excluded Liabilities**”).

2.3 Assignment of Purchased Assets

The Seller and the Buyers shall use their reasonable commercial efforts to obtain prior to the Closing Date any necessary consents or approvals in order to assign the Assigned Contracts. To the extent assignable and transferable to the Buyers, all Assigned Contracts shall be assigned by the Seller to the Buyers on Closing.

Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or transfer any Purchased Asset or any right thereunder if an attempted assignment or transfer of such Purchased Asset or right thereunder without the consent of a third Person would constitute a breach thereunder (“**Restricted Rights**”), unless: (i) such consent is obtained; or (ii) the assignment has been ordered by the Court. The Seller shall hold any such Restricted Rights in trust for the Buyers until such time as consent and/or approval has been obtained, to the extent applicable. If a consent to transferring the Restricted Rights to the Buyers is not obtained, or such assignment is not attainable, the Seller and the Buyers will cooperate and use their respective commercially reasonable efforts to implement a mutually agreeable arrangement pursuant to which the Buyers will obtain the benefits and assume the liabilities and obligations related to such Restricted Rights in accordance with this Agreement including, at the election and expense of the Buyers, applying to the Court before or after Closing for an order compelling the assignment and for related relief, including, without limitation, pursuant to Section 11.3 of the CCAA.

The Seller and the Buyers shall use their reasonable commercial efforts to obtain prior to the Closing Date any necessary consents or approvals arising from, or in relation to, any change of control provisions in Contracts of TA Holdings and TA. If any such consent or approval is not obtained, or any such consent or approval is not attainable, the Seller and the Buyers will cooperate and use their respective commercially reasonable efforts to implement a mutually agreeable arrangement pursuant to which TA or the Buyers, as the case may be, will continue to enjoy the benefits of, and remain liable and obligated under, such Contracts of TA Holdings and TA, including, at the election and expense of the Buyers, applying to the Court before or after Closing for an order compelling, overriding, or obviating the need to obtain, any such approval or consent and for related relief.

In the event that the Transaction is subject to a consent requirement pursuant to any Contract of TA Holdings and TA so as not to be in breach of, or to otherwise permit the termination of, such Contract, the Seller and the Buyers shall use their reasonable commercial efforts to obtain any such consent on or before Closing.

To the extent that the Seller would incur any out-of-pocket costs and expenses after the Closing Time in order to comply with a specific obligation under this Section 2.3, the Seller shall not have to incur such out-of-pocket costs and expenses to comply with such obligation unless

the Buyers shall have provided the Seller with the funds necessary to pay such out-of-pocket costs and expenses.

Notwithstanding the foregoing: (i) nothing in this Section 2.3 shall require the Seller to renew any Restricted Rights once they have expired; and (ii) any efforts required of the Seller pursuant to this Section 2.3 shall be strictly on an interim basis and in no event be required to continue for more than 120 days following the Closing Date.

2.4 Excluded Obligations

Other than the Assumed Liabilities, the Buyers shall not assume and shall not be liable, directly or indirectly, or otherwise responsible for any debts, liabilities or other obligations of the Seller to any Person.

2.5 “As is, Where Is”

The Buyers acknowledge and agree that all of the Purchased Assets are being purchased on an “as is, where is” basis as they shall exist at Closing. Unless and solely to the extent expressly set forth in this Agreement, no representation, warranty or covenant is expressed or implied by the Seller, including any warranties as to title, encumbrances, description, merchantability or fitness for a particular purpose, environmental compliance, condition, quantity or quality, or in respect of any other matter or thing whatsoever concerning the Business, the TA Business and/or the Purchased Assets or the right of the Seller to sell or assign the same. Without limiting the generality of the foregoing, any and all conditions, warranties, or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario), as amended, or similar legislation do not apply hereto and have been waived by the Buyers. This Section 2.5 shall not merge on Closing and is deemed incorporated by reference into all Closing Documents and deliveries.

**ARTICLE 3
PURCHASE PRICE AND RELATED MATTERS**

3.1 Purchase Price

The purchase price payable by the Buyers to the Seller for the Purchased Assets (the “Purchase Price”) shall be: (i) the amount of the Clairvest Credit Bid Amount; plus (ii) the amount of the Assumed Liabilities. The Buyers shall satisfy the Purchase Price at the Closing Time by: (i) applying the Clairvest Credit Bid Amount against the Purchase Price (thereby reducing either or both of the Clairvest Secured Indebtedness Amount and the Clairvest DIP Indebtedness Amount by the Clairvest Credit Bid Amount, in such respective amounts as the Buyers may determine pursuant to Section 3.3); (ii) assuming the Assumed Liabilities.

3.2 Purchase Price Allocation Among Purchased Assets

The Purchase Price shall be allocated among each class of Purchased Assets as agreed by the Parties on or before Closing, acting reasonably. Such allocation shall be binding and the Buyers and the Seller shall each report the purchase and sale of the Purchased Assets for all tax purposes in a manner consistent with such allocation, and will complete and file all tax returns,

designations, elections and filings that are necessary or desirable under the Tax Act to give effect to such allocations and shall not take any position or action inconsistent with such allocation.

3.3 Purchase Price Allocation Between Purchase Price Components

The Clairvest Credit Bid Amount component of the Purchase Price shall be allocated between the Clairvest Secured Indebtedness Amount and the Clairvest DIP Indebtedness Amount, as determined by the Buyer, in its sole discretion, on or before Closing. Such allocation shall be binding and the Buyer and the Seller shall each report the purchase and sale of the Purchased Assets for all tax purposes in a manner consistent with such allocation, and will complete and file all tax returns, designations, elections and filings that are necessary or desirable under the Tax Act to give effect to such allocations and shall not take any position or action inconsistent with such allocation.

**ARTICLE 4
REPRESENTATIONS AND WARRANTIES BY THE SELLER**

The Seller represents and warrants to the Buyers and acknowledges that the Buyers are relying upon the following representations and warranties in connection with its purchase of the Purchased Assets the matters set out below:

4.1 Existence

The Seller is duly incorporated, organized and existing under the laws of its jurisdiction of organization. TA Holdings is duly organized and validly existing under the laws of its jurisdiction of organization. TA is duly organized and validly existing under the laws of its jurisdiction of organization.

4.2 Recitals

The Recitals hereto are true and correct as of the date of this Agreement.

4.3 Due Authorization and Enforceability of Obligations

Subject to Court Approval being obtained, the Seller has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of each of this Agreement, the Closing Documents and the consummation of the Transaction has been duly authorized by all necessary corporate action of the Seller. This Agreement has been, and at the Closing Time the Closing Documents will be, duly executed and delivered by the Seller and constitutes a valid and binding obligation of the Seller enforceable against it in accordance with its terms, as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

4.4 Right to Sell, and Title to, Purchased Assets

The Seller is the registered and/or beneficial owner of the Purchased Assets, with good and marketable title thereto. At the Closing, the Seller shall convey to the Buyers all of the

Seller's right, title and interest in and to the Purchased Assets free and clear of all Encumbrances except for Permitted Encumbrances, except with respect to any Assigned Contracts for which consent of a third Person is required for an assignment of such Contract and has not been obtained at the Closing Time.

4.5 TA Holdings Shares and TA Shares

Other than the Buyers, or affiliates thereof, the TA Holdings Shares have not been pledged by the Seller to any Person. The Seller does not hold and has not at any time granted to any Person: (i) any presently outstanding rights or privileges to acquire any unissued equity of TA Holdings; (ii) any right to purchase or otherwise acquire all or any part of the TA Holdings Shares; or (iii) any presently outstanding options, warrants, stock plans or other instruments convertible into equity or other securities of TA Holdings or pursuant to which any Person may acquire equity or other securities of TA Holdings.

Other than the Buyers, or affiliates thereof, the TA Shares have not been pledged by the Seller to any Person. The Seller and TA Holdings do not hold and have not at any time granted to any Person: (i) any presently outstanding rights or privileges to acquire any unissued equity of TA; (ii) any right to purchase or otherwise acquire all or any part of the TA Shares; or (iii) any presently outstanding options, warrants, stock plans or other instruments convertible into equity or other securities of TA or pursuant to which any Person may acquire equity or other securities of TA.

4.6 Absence of Conflicts

Except for Court Approval, the Seller is not a party to, bound or affected by or subject to any provision in its articles, by-laws or other constating documents or Applicable Laws or Governmental Authorizations that would be violated, breached by, or under which any default would occur or with notice or the passage of time would be created as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any Closing Documents to be entered into or delivered under the terms of this Agreement; except for any violations, breaches or defaults or any Applicable Laws or Governmental Authorizations that would not have a Material Adverse Effect on the conduct of the Business or on the ability of the Seller to consummate the Transaction.

4.7 Approvals and Consents

Except for: (a) Court Approval; (b) any consent required in connection with the assignment of any Assigned Contract or any Purchased Asset; and (c) any consent or approval arising from, or in relation to, any change of control provisions in Contracts of TA Holdings or TA, no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Seller and each of the Closing Documents to be executed and delivered by the Seller hereunder or the purchase of any of the Purchased Assets hereunder.

4.8 Residence of the Seller

The Seller is not a non-resident of Canada within the meaning of section 116 of the Tax Act.

4.9 HST Registration

The Seller is registered for purposes of HST Legislation and will provide its registration numbers to the Buyers.

4.10 Brokers

No broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Seller.

**ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE BUYERS**

The Buyers represent and warrant to the Seller as follows, and acknowledge that the Seller is relying upon the following representations and warranties in connection with its sale of the Purchased Assets:

5.1 Existence

The Buyers (other than G. John Krediet) are duly organized and validly existing under the laws of their respective jurisdiction of organization. G. John Krediet is a resident of the Netherlands.

5.2 Recitals

The Recitals hereto are true and correct as of the date of this Agreement.

5.3 Due Authorization and Enforceability of Obligations

The Buyers have all necessary power, authority and capacity to enter into this Agreement and to carry out their obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action of the Buyers. This Agreement has been duly executed and delivered by the Buyers and constitutes a valid and binding obligation of the Buyers enforceable against them in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity. At the Closing Time, the Closing Documents required by this Agreement to be delivered by the Buyers will be duly executed and delivered by the Buyers and will constitute valid and binding obligations of the Buyers enforceable against them in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

5.4 Absence of Conflicts

The Buyers are not party to, bound or affected by or subject to any provision in their articles, by-laws or other constating documents or Applicable Laws or governmental authorizations, approvals, franchises, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority, as applicable, that would be violated, breached by, or under which any default would occur or with notice or the passage of time would, be created as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any other agreement or document to be entered into or delivered under the terms of this Agreement, except for any violations, breaches or defaults or any Applicable Laws or any governmental authorizations, approvals, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority, as applicable, that would not have a material and adverse effect on the ability of the Buyers to consummate the transactions hereunder.

5.5 Approvals and Consents

Except for: (a) Court Approval; (b) any consent required in connection with the assignment of any Assigned Contract or any Purchased Asset; and (c) any consent or approval arising from, or in relation to, any change of control provisions in Contracts of TA Holdings or TA, no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Buyers and each of the Closing Documents to be executed and delivered by the Buyers hereunder or the purchase of any of the Purchased Assets hereunder.

5.6 Residence of the Buyers

The Buyers (other than G. John Krediet) are not non-residents of Canada within the meaning of section 116 of the Tax Act.

5.7 HST Registration

The Buyers, or their assignee(s) acquiring the Purchased Assets, are, or at the Closing Time will be, registered for purposes of HST Legislation and will provide their registration numbers to the Seller.

5.8 Investment Canada Act

The Buyers (other than G. John Krediet) are (a) either “Canadians” or “WTO investors” within the meaning of the *Investment Canada Act*; and (b) are not “state-owned enterprises” within the meaning of the *Investment Canada Act*.

5.9 No Additional Due Diligence

The Buyers acknowledge and agrees that: (a) they have had an opportunity to conduct any and all due diligence regarding the Purchased Assets and the Business prior to the execution of this Agreement; (b) they have relied solely upon their own independent review, investigation

and/or inspection of any documents and/or the Purchased Assets and/or the Business; (c) they are not relying upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied, (by operation of law or otherwise), regarding the Purchased Assets or the Business or the completeness of any information provided in connection therewith, except as expressly stated in this Agreement; and (d) the obligations of the Buyers under this Agreement are not conditional upon any additional due diligence.

5.10 Brokers

No broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Buyers.

ARTICLE 6 CONDITIONS

6.1 Conditions for the Benefit of the Buyers and the Seller

The respective obligations of the Buyers and of the Seller to consummate the Transaction are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions for their mutual benefit:

- (a) no provision of any Applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the Transaction pursuant to this Agreement shall have been issued and in effect;
- (b) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction;
- (c) the Sale Procedures Order shall have been issued and entered on or before April 4, 2018, or on or before such later date as the Parties agree to in writing, and shall be Final;
- (d) this Agreement is the Successful Bid (as defined in the Sale Procedures);
- (e) the Approval and Vesting Order shall have been issued and entered on or before June 14, 2018, or on or before such later date as the Parties agree to in writing, and shall be Final;
- (f) the Court shall not have permanently declined to grant the Approval and Vesting Order; and
- (g) each of the Buyers shall sign, and be bound by the terms of, all shareholders' agreements in respect of TA Holdings and TA, to the extent that such Buyer is not already a party to such agreements.

If the conditions set out in this Section 6.1 are not satisfied, performed or mutually waived on or before the Closing Date, either Party shall have the option to terminate this Agreement upon written notice to the other Party.

6.2 Conditions for the Benefit of the Buyers

The obligation of the Buyers to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by the Buyers of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Buyers):

- (a) the representations and warranties of the Seller set forth in this Agreement shall be true and correct at the Closing Time with the same force and effect as if made at and as of such time, except where any failure or failures of any such representations and warranties to be so true and correct would not, individually or in the aggregate, cause a Material Adverse Change (and, for this purpose, any reference to “material”, “Material Adverse Change” or any other concept of materiality in such representations and warranties shall be ignored);
- (b) the covenants contained in this Agreement to be performed by the Seller at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (c) after the date of this Agreement and before the Closing Time, there shall not have occurred any Material Adverse Change;
- (d) the Buyers shall have received on Closing a certificate confirming the satisfaction of the conditions contained in Sections 6.2(a) and 6.2(b), signed for and on behalf of the Seller without personal liability by an executive officer of the Seller or other Persons reasonably acceptable to the Buyers, in each case in form and substance reasonably satisfactory to the Buyers;
- (e) the Closing Documents, all other documents relating to the due authorization and completion of the Transaction and all actions and proceedings taken on or prior to the Closing in connection with the performance by the Seller of its obligations under this Agreement shall be satisfactory to the Buyers, acting reasonably, and the Buyers shall have received copies of all such documents and evidence that all such actions and proceedings have been taken as it may reasonably request in form and substance reasonably satisfactory to the Buyers;
- (f) the Purchased Assets shall be assigned and transferred to the Buyers free and clear of all Encumbrances other than Permitted Encumbrances in accordance with the Approval and Vesting Order, and the releases or discharges of all Encumbrances other than Permitted Encumbrances against the Purchased Assets, including any Court-ordered charges in the CCAA Proceedings, shall have been obtained in form and substance satisfactory to the Buyers, acting reasonably;

- (g) if, in its sole discretion, the Buyers have required the entry into one or more Transition Services Agreements, then all such Transition Services Agreements shall have been entered into among the Buyers, the Seller, TA Holdings, TA and the Seller's other subsidiaries, or any combination thereof, each in form and substance acceptable to the Buyers, acting reasonably;
- (h) the Seller shall not have repudiated or terminated the Services Agreement and shall not have ceased performing its obligations thereunder;
- (i) since the date first written above, no Material Adverse Change shall have occurred.

Any condition in this Section 6.2 may be waived by the Buyers in whole or in part, without prejudice to its rights of termination in the event of non-fulfillment of any other condition in whole or in part. If any condition set out in this Section 6.2 is not satisfied, performed or waived on or prior to the date specified therefor, the Buyers may elect on written notice to the Seller to terminate this Agreement.

6.3 Conditions for the Benefit of the Seller

The obligation of the Seller to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver where applicable, by the Seller of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Seller):

- (a) the representations and warranties of the Buyers set forth in this Agreement shall be true and correct in all material respects at the Closing Time with the same force and effect as if made at and as of such time;
- (b) the covenants contained in this Agreement to be performed by the Buyers at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (c) the Seller shall have received on Closing a certificate confirming the satisfaction of the conditions contained in Sections 6.3(a) and 6.3(b) signed for and on behalf of the Buyers without personal liability by an executive officer of the Buyers or other persons reasonably acceptable to the Seller, in each case in form and substance reasonably satisfactory to the Seller; and
- (d) all other Closing Documents required pursuant to this Agreement to be delivered by the Buyers on Closing in form and substance reasonably satisfactory to the Seller.

Any condition in this Section 6.3 may be waived by the Seller in whole or in part, without prejudice to its rights of termination in the event of non-fulfillment of any other condition in whole or in part. If any condition set out in this Section 6.3.2 is not satisfied, performed or waived on or prior to the date specified therefor, the Seller may elect on written notice to the Buyers to terminate this Agreement.

**ARTICLE 7
ADDITIONAL AGREEMENTS OF THE PARTIES**

7.1 Access to Information

Until the Closing Time, and subject to the terms and conditions of the Sale Procedures and the Sale Procedures Order, the Seller shall give to the Buyers' personnel engaged in the Transaction and their accountants, advisers, consultants and representatives during normal business hours reasonable access to its premises and to all of the books and records relating to the Business and the Purchased Assets, and the Seller shall furnish them with all such information relating to the Business and the Purchased Assets as the Buyers may reasonably request in connection with the Transaction, and shall coordinate reasonable access by the Buyers to the customers and suppliers of the Business. Notwithstanding anything in this Section 7.1 to the contrary, any such investigation shall be conducted upon reasonable advance notice and in such manner as does not materially disrupt the conduct of the Business. The Seller shall also deliver to the Buyers authorizations to Governmental Authorities necessary to permit the Buyers to obtain information in respect of the Purchased Assets from the files of such Governmental Authorities.

7.2 Covenant Regarding Confidential Information

On or prior to Closing, the Seller shall request any Person that was furnished Confidential Information of the Seller in accordance with the Sale Procedures to return or destroy all such information.

7.3 Further Assurances

Each of the Parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Parties hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use commercially reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement. Upon and subject to the terms and conditions of this Agreement and subject to the directions of any applicable courts to the Seller, the Parties shall use their commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary proper or advisable under Applicable Laws to consummate and make effective the Transaction, including using commercially reasonable efforts to satisfy the conditions precedent to the obligations of the Parties hereto.

7.4 Tax Matters

- (a) The Buyers and the Seller agree to use commercially reasonable efforts to furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance relating to the Purchased Assets as is reasonably necessary for the preparation and filing of any Tax return, claim for refund or other required or optional filings relating to Tax matters, for the preparation for and proof of facts during any Tax audit, for the preparation for any Tax protest,

for the prosecution of any suit or other proceedings relating to Tax matters and for the answer to any governmental or regulatory inquiry relating to Tax matters.

- (b) For purposes of any Tax return related to the Transaction, the Buyers and, to the extent applicable, the Seller, agree to report the Transaction in a manner consistent with the Purchase Price allocation determined in accordance with Section 3.2, and the Buyers and the Seller shall not voluntarily take any action inconsistent therewith in any such Tax return, refund claim, litigation or otherwise, unless required by applicable Tax laws. The Buyers and the Seller shall each be responsible for the preparation of their own statements required to be filed under the Tax Act and other similar forms in accordance with applicable Tax laws.
- (c) All amounts payable by the Buyers to the Seller pursuant to this Agreement are exclusive of any HST, or any other federal, provincial, state or local or foreign value-added, sale, use, consumption, multi-staged, ad valorem, personal property, customs, excise, stamp, transfer, land or real property transfer, or similar Taxes, duties, or charges, or any recording or filing fees or similar charges (collectively, “**Transfer Taxes**”). All Transfer Taxes are the responsibility of and for the account of the Party required to pay such taxes under Applicable Laws. The Buyers and the Seller agree to cooperate to determine the amount of Transfer Taxes payable in connection with the Transaction. If the Seller is required by Applicable Law or by administration thereof to collect any applicable Transfer Taxes from the Buyers, the Buyers shall pay such amounts to the Seller concurrent with the payment of any consideration payable pursuant to this Agreement, and the Seller shall remit or account for such Transfer Taxes to the applicable Governmental Authority on a timely basis and otherwise in accordance with Applicable Laws.
- (d) The Seller shall not be required to deliver any certificates to the Buyers under section 6 of the *Retail Sales Tax Act* (Ontario) or under any similar provision contained in any other Applicable Law in respect of the Transfer Taxes.

7.5 Fees and Expenses

Except as expressly provided in this Agreement, all fees and expenses incurred in connection with the negotiation and settlement of this Agreement and the completion of the Transaction, including the fees and disbursements of counsel, financial advisors and accountants, shall be paid by the Person incurring such fees or expenses.

7.6 Transition Services

Provided that the Buyers agree to provide reasonable funding during any transition period, the Seller shall provide the Buyers with transition services relating to: (i) record keeping, financial, tax and other reporting obligations and other general administrative services as reasonably requested by the Buyers; and (ii) shared Contracts, services and assets both among the Seller, TA Holdings and TA and among the Seller, TA Holdings, TA and one or more of the

Seller’s other subsidiaries, or between or among any combination of the foregoing parties (the “**Transition Services**”). The Buyers, in their sole discretion, may require that one or more agreements in respect of the Transition Services be entered into among the Buyers, the Seller, TA Holdings, TA and the Seller’s other subsidiaries, or any combination thereof, each in form and substance acceptable to the Buyers, acting reasonably, that are necessary or desirable for the operation of the TA Business, including, without limitation, in the event that affiliates of the Buyers are not the successful bidders in other sales processes for the Seller’s assets conducted in the CCAA Proceedings (such agreements, the “**Transition Services Agreements**”).

Provided that the purchasers of the shares, assets and/or business of each of Great Slave Helicopters Ltd., Air Tindi Ltd. and Discovery Mining Services Ltd. agree to provide reasonable funding during any transition period, the Buyers agree to provide any Transition Services required by such purchasers on terms and conditions acceptable to the Buyers and to such purchasers, all acting reasonably.

**ARTICLE 8
COURT ORDERS**

8.1 Court Orders

- (a) As soon as reasonably possible after the execution of this Agreement, the Seller shall file a motion with the Court for the issuance of, and shall use its best efforts to obtain, the Sale Procedures Order. Such motion shall be scheduled for a date that is on or before April 4, 2018, subject to the availability of the Court.
- (b) Within the time period provided for in the Sale Procedures, and provided that the Buyers are the Successful Bidder (as defined in the Sale Procedures), the Seller shall file a motion with the Court for the issuance of, and shall use its best efforts to obtain, the Approval and Vesting Order. Such motion shall be scheduled for a date that is on or before June 14, 2018, subject to the availability of the Court.
- (c) The Seller shall use its best efforts to obtain any orders or relief described in Section 2.3 (such orders and relief, together with the Sale Procedures Order and the Approval and Vesting Order, collectively, the “**Court Orders**”). The Buyers shall cooperate with the Seller acting reasonably, as may be necessary, in obtaining the Court Orders, as applicable.
- (d) The Buyers and their legal counsel shall be given a reasonable opportunity to review and comment on:
 - (i) the Seller’s motion materials for the issuance of the Sale Procedures Order; and
 - (ii) to the extent that the Buyers are the Successful Bidder, (A) the Seller’s motion materials for the issuance of the Approval and Vesting Order; and (B) any other materials prepared by the Seller in connection with obtaining the Court Orders (for greater certainty, not including any report or materials filed by the Monitor),

which shall be in form and substance satisfactory to the Buyers prior to being served.

- (e) Notice of the motions seeking the issuance and entry of the Court Orders shall be served by the Seller on all Persons required to receive notice under Applicable Laws and the requirements of the Court, and any other Person determined necessary or advisable by the Seller or the Buyers.

**ARTICLE 9
TERMINATION**

9.1 Termination

This Agreement may be terminated at any time prior to Closing upon the occurrence of any of the following:

- (a) by mutual written consent of the Seller and the Buyers;
- (b) if the Buyers are not the Successful Bidder, by either party upon the earlier of: (i) thirty (30) days after the Bid Deadline (as defined in the Sale Procedures); and (ii) approval by the Court of the Accepted Bid (as defined in the Sale Procedures), provided, however, in the event that the Buyers are the Backup Bidder (as defined in the Sale Procedures), the Buyers may not terminate this Agreement until the closing of the Transaction with the Successful Bidder (as defined in the Sale Procedures);
- (c) by either Party (provided such Party is not in breach of its obligations under this Agreement so as to have caused a closing condition not to be fulfilled), upon written notice to the other, if any condition in Section 6.1 is unsatisfied as of the Closing Date;
- (d) by the Seller (provided that the Seller is not in breach of its obligations under this Agreement so as to have caused a closing condition not to be fulfilled), upon written notice to the Buyers, if any condition in Section 6.3 is unsatisfied on the Closing Date and such violation or breach has not been waived by the Seller or cured by the Buyers within three (3) Business Days after written notice thereof from the Seller to the Buyers; and
- (e) by the Buyers (provided that the Seller is not in breach of its obligations under this Agreement so as to have caused a closing condition not to be fulfilled), upon written notice to the Seller, if any condition in Section 6.2 is unsatisfied on the Closing Date and such violation or breach has not been waived by the Buyers or cured by the Seller within three (3) Business Days after written notice thereof from the Buyers to the Seller.

9.2 Effect of Termination

In the event of termination of this Agreement pursuant to Section 9.1, this Agreement shall forthwith become null and void, except as set forth in Section 9.2 and Article 11, and nothing herein shall relieve any Party from liability for any breach of this Agreement, or to impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement.

**ARTICLE 10
CLOSING**

10.1 Location and Time of Closing

The Closing shall take place at the Closing Time on the Closing Date at the Toronto, Ontario offices of Torys LLP, or at such other location as may be agreed upon in writing by the Parties hereto.

10.2 Closing Deliveries

- (a) At the Closing, the Seller shall deliver to the Buyers:
 - (i) the documents required to be delivered by the Seller pursuant to Sections 6.1 and 6.2;
 - (ii) the consents and approvals required to be obtained pursuant to Section 2.3;
 - (iii) one of more bills of sale or general or specific conveyances with respect to the conveyance of the Purchased Assets, in each case executed by the Seller;
 - (iv) to the extent required to be executed by the Seller, an instrument of assumption of liabilities with respect to the Assumed Liabilities;
 - (v) actual possession of the Purchased Assets to the Buyers (including the TA Holdings Shares); and
 - (vi) any other documents reasonably requested by the Buyers in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement.

- (b) At the Closing, the Buyers shall deliver to the Seller:
 - (i) evidence of the satisfaction of the Purchase Price as provided for in Section 3.1, in form and substance satisfactory to the Seller, acting reasonably;
 - (ii) a document specifying the Purchase Price allocation for tax purposes, as provided for in Section 3.2;

- (iii) a document specifying the allocation of the Clairvest Credit Bid Amount component of the Purchase Price, as provided for in Section 3.3;
- (iv) a document specifying the number of TA Holdings Shares that each Buyer is to receive on Closing;
- (v) to the extent required to be executed by the Buyers, one of more bills of sale or general or specific conveyances with respect to the conveyance of the Purchased Assets;
- (vi) an instrument of assumption of liabilities with respect to the Assumed Liabilities;
- (vii) evidence of payment of Transfer Taxes required by Applicable Law to be collected by the Seller, or, alternatively, if applicable, the election(s) referred to in Section 7.4, executed by the Buyers;
- (viii) the documents required to be delivered by the Buyers pursuant to Section 6.3; and
- (ix) any other documents reasonably requested by the Seller in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement.

10.3 Monitor’s Certificate

The Parties hereby acknowledge and agree that the Monitor will be entitled to file the Monitor’s Certificate with the Court without independent investigation upon receiving written confirmation from the Seller and the Buyers that: (i) all conditions to Closing set forth in Article 6 have been satisfied or waived, and (ii) the Buyers have paid or satisfied, and the Seller has received or received the benefit of, the Purchase Price, and the Monitor will have no liability to the Seller or the Buyers or any other Person as a result of filing the Monitor’s Certificate or otherwise in connection with this Agreement or the transactions contemplated hereunder (whether based on contract, tort or any other theory).

**ARTICLE 11
GENERAL MATTERS**

11.1 Confidentiality

- (a) Except to the extent otherwise specifically provided in this Section 11.1, each Party, on behalf of itself and its affiliates, agrees to keep the other Party’s Confidential Information confidential and not to use the other Party’s Confidential Information in any manner except as required to perform the obligations set out in this Agreement. Each Party agrees to be responsible for any breach of this Section 11.1 by any of its affiliates and its and their respective directors, employees, advisors, agents and representatives.

- (b) Notwithstanding anything to the contrary herein, each Party maintains the right to disclose the other Party's Confidential Information if required to do so by Applicable Laws or requirement of a Governmental Authority, or to appropriate Tax authorities in order to describe the tax treatment and tax structure of the Transaction; provided that the disclosure of such Confidential Information will be limited only to that purpose and provided further that it will use reasonable efforts to cooperate with the other Party in limiting the disclosure of the Confidential Information.
- (c) At the other Party's request, a Party will destroy all of the other Party's Confidential Information, provided that it is permitted to retain one copy of any Confidential Information to the extent required by Applicable Laws or its internal record keeping policies.
- (d) Any Confidential Information of the Seller that constitutes part of the Purchased Assets will cease to be Confidential Information of the Seller and will become Confidential Information of the Buyers on Closing.

11.2 Public Notices

No press release or other announcement concerning the Transaction shall be made by the Seller or by the Buyers without the prior consent of the other (such consent not to be unreasonably withheld); provided, however, that subject to the last sentence of this Section 11.2, any Party may, without such consent, make such disclosure if the same is required by Applicable Law (including the CCAA Proceedings) or by any insolvency or other court or securities commission or other similar regulatory authority having jurisdiction over such Party or any of its affiliates, and, if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure. Notwithstanding the foregoing: (i) this Agreement may be filed by the Seller with the Court; (ii) the Transaction may be disclosed by the Seller to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Laws; and (iii) the Seller may communicate freely with the Monitor as and to the extent required in connection with the CCAA Proceedings, the Sale Procedure and the Court Orders. The Parties further agree that:

- (a) the Seller may prepare and file reports and other documents with the Court containing references to the Transaction and the terms thereof, including for the purpose of obtaining the Court Orders; and
- (b) the Seller and their professional advisors may prepare and file such reports and other documents in the CCAA Proceedings containing references to the Transaction and the terms thereof as may reasonably be necessary to complete the Transaction or to comply with their obligations in connection therewith. Wherever possible, the Buyers shall be afforded an opportunity to review and comment on such materials prior to their filing.

Each of the Parties may issue a press release announcing the execution and delivery of this Agreement, in form and substance mutually agreed to by all of the Parties.

11.3 Survival

The representations and warranties of the Seller in this Agreement or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transaction are set forth solely for the purpose of Section 6.2 and none of them shall survive Closing. The Seller shall have no liability, whether before or after the Closing, for any breach of the Seller’s representations, and the Buyers acknowledge that their exclusive remedy for any such breach shall be termination of this Agreement prior to the Closing (but only if permitted by Section 9.1.

11.4 Non-Recourse

No past, present or future director, officer, employee, incorporator, member, partner, stockholder, affiliate, agent, attorney or representative of the respective Parties hereto, in such capacity, shall have any liability for any obligations or liabilities of the Buyers or the Seller, as applicable, under this Agreement or for any claim based on, in respect of, or by reason of, the Transaction.

11.5 Assignment; Binding Effect

No Party may assign its right or benefits under this Agreement without the consent of the other Party hereto, except that without such consent the Buyers may: (i) assign any or all of their rights and obligations hereunder to one or more of their subsidiaries or affiliates, as applicable; or (ii) direct that title to all or some of the Purchased Assets be transferred to one or more of their subsidiaries or affiliates, as applicable, provided that no such assignment or direction shall relieve the Buyers of their obligations hereunder; provided further that if the Buyers shall have assigned all of their rights and obligations hereunder the Buyers shall, immediately following the Closing, be deemed fully released from all of the Buyers’ obligations hereunder. References to the Buyers’ residency for Tax purposes and to the Buyers’ status under the Investment Canada Act are references to the ultimate Buyers. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third Person beneficiary rights in any Person or entity not a Party to this Agreement other than the third party beneficiaries of Section 11.4 hereof.

11.6 Notices

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (i) the date of personal delivery; (ii) the date of transmission by email, with confirmed transmission and receipt (if sent during normal business hours of the recipient, if not, then on the next Business Day); (iii) two days after deposit with a nationally-recognized courier or overnight service such as Federal Express; or (iv) five days after mailing via certified mail, return receipt requested. All notices not delivered

personally or by facsimile will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

(a) If to the Buyers at:

c/o Clairvest Group Inc.
22 St. Clair Avenue East
Suite 1700
Toronto, Ontario M4T 2S3

Attention: James H. Miller, General Counsel and Corporate Secretary
Email: jmiller@clairvest.com

with copies (which shall not in itself constitute notice) to:

Torys LLP
TD Centre
79 Wellington Street West, 30th Floor
Toronto, Ontario M5K 1N2

Attention: David Bish / Adam Slavens
Email: dbish@torys.com / aslavens@torys.com

(b) If to the Seller at:

Discovery Air Inc.
170 Attwell Drive, Suite 370
Toronto, Ontario M9W 5Z5

Attention: David Kleiman
Email: david.kleiman@discoveryair.com

with copies (which shall not in itself constitute notice) to:

Goldman Sloan Nash & Haber LLP
480 University Ave Suite 1600
Toronto, Ontario M5G 1V2

Attention: Mario Forte / Michael Rotsztain
Email: forte@gsnh.com / rotsztain@gsnh.com

and to:

KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

Attention: Bobby Kofman / David Sieradzki
Email: bkofman@ksvadvisory.com / dsieradzki@ksvadvisory.com

with copies (which shall not in itself constitute notice) to:

Goodmans LLP
Bay Adelaide Centre – West Tower
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Attention: L. Joseph Latham
Email: jlatham@goodmans.ca

Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

11.7 Counterparts; Facsimile Signatures

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Agreement by any of the Parties hereto may be evidenced by facsimile, scanned e-mail or internet transmission copy of this Agreement bearing such signature which, for all purposes, shall be deemed to be an original signature.

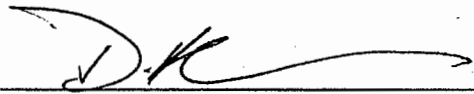
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IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

DISCOVERY AIR INC.

By: 

Name:
Title:

By: 

Name:
Title:

**CLAIRVEST EQUITY PARTNERS IV
LIMITED PARTNERSHIP, by its general
partner, CLAIRVEST GP MANAGECO INC.**

Per: _____

Name:
Title:

Per: _____

Name:
Title:

45

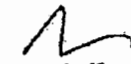
IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

DISCOVERY AIR INC.

By: _____
Name:
Title:


By: _____
Name:
Title:

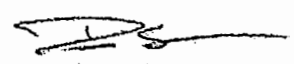
**CLAIRVEST EQUITY PARTNERS IV
LIMITED PARTNERSHIP, by its general
partner, CLAIRVEST GP MANAGECO INC.**

Per: 
Name: B. Jeffrey Parr
Title: Vice Chairman and Managing Director

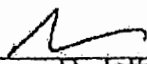
Per: 
Name: Daniel Cheng
Title: Chief Financial Officer

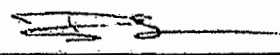
CLAIRVEST EQUITY PARTNERS IV-A LIMITED PARTNERSHIP, by its general partner, CLAIRVEST GENERAL PARTNER IV LIMITED PARTNERSHIP, by its general partner, CLAIRVEST GP (GPLP) INC.

Per: 
Name: B. Jeffrey Parr
Title: Vice Chairman and Managing Director

Per: 
Name: Daniel Cheng
Title: Chief Financial Officer

CEP IV CO-INVESTMENT LIMITED PARTNERSHIP, by its general partner, CLAIRVEST GENERAL PARTNER IV LIMITED PARTNERSHIP, by its general partner, CLAIRVEST GP (GPLP) INC.

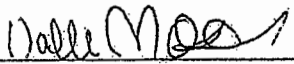
Per: 
Name: B. Jeffrey Parr
Title: Vice Chairman and Managing Director

Per: 
Name: Daniel Cheng
Title: Chief Financial Officer

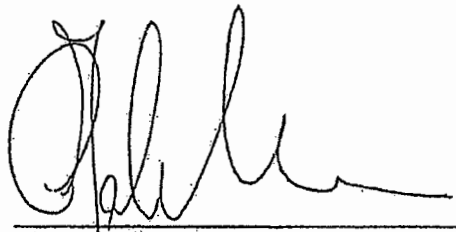
DA HOLDINGS LIMITED PARTNERSHIP,
by its general partner, CLAIRVEST GP
MANAGECO INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:



Witness Valerie Mousignac



G. JOHN KREDIET

Acknowledged by:


CLAIRVEST GP MANAGECO INC.

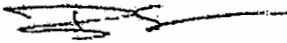
By: _____
Name:
Title:

By: _____
Name:
Title:

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DA HOLDINGS LIMITED PARTNERSHIP,
by its general partner, **CLAIRVEST GP**
MANAGECO INC.

Per: 
Name: B. Jeffrey Parr
Title: Vice Chairman and Managing Director

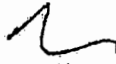
Per: 
Name: Daniel Cheng
Title: Chief Financial Officer

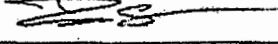
Witness

G. JOHN KREDIET

Acknowledged by:

CLAIRVEST GP MANAGECO INC.

By: 
Name: B. Jeffrey Parr
Title: Vice Chairman and Managing Director

By: 
Name: Daniel Cheng
Title: Chief Financial Officer

Schedule 1.1(d)
Form of Approval and Vesting Order

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Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)
)
JUSTICE) DAY OF , 2018

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**APPROVAL AND VESTING ORDER
(Top Aces)**

THIS MOTION, made by Discovery Air Inc. (the "Applicant") for an order approving the sale transaction (the "Transaction") contemplated by an asset purchase agreement (the "Sale Agreement") between the Applicant and CEP IV Co-Investment Limited Partnership, Clairvest Equity Partners IV Limited Partnership, Clairvest Equity Partners IV-A Limited Partnership, DA Holdings Limited Partnership and G. John Krediet (collectively, the "Purchasers") dated ■, 2018, and appended to ■, and vesting in the Purchasers the Applicant's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING ■, filed, and on hearing the submissions of counsel for the Applicant, KSV Kofman Inc., in its capacity as the monitor of the Applicant (the "Monitor"), and the Purchasers, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ■ sworn ■, 2018, filed:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Applicant is hereby authorized and approved, with such minor amendments as the Applicant and the Purchasers, with the consent of the Monitor, may agree upon pursuant to the Sale Agreement. The Applicant, with the consent of the Monitor, is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchasers.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor’s certificate to the Purchasers substantially in the form attached as Schedule “A” hereto (the “Monitor’s Certificate”), all of the Applicant’s right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchasers, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “Claims”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ■ dated ■, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal or movable property registry system in any provinces or territories in Canada, including, without limitation, under the Civil Code of Quebec; and (iii) any Excluded Liabilities (as defined in the Sale Agreement) (all of which are collectively referred to as the “Encumbrances”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule “B” or the Assumed Liabilities (as defined in the Sale Agreement)). This Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that all counterparties to any Contract (as defined in the Sale Agreement) to which Top Aces Holdings Inc. or Top Aces Inc. is a party or beneficiary, are

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prohibited from exercising any right or remedy under such Contract, including, without limitation, any rights of termination, that arise as a result of, or otherwise relate to, the Transaction, the insolvency of the Applicant, the commencement of the Applicant's proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") or any relief granted in such proceedings.

5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

7. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Applicant is authorized and permitted to disclose and transfer to the Purchasers all human resources and payroll information in the Applicant's records pertaining to the Applicant's past and current employees. The Purchasers shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to them in a manner which is in all material respects identical to the prior use of such information by the Applicant.

8. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Applicant and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Applicant;

the vesting of the Purchased Assets in the Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

Schedule "A" - Form of Monitor's Certificate

Court File No.: _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**MONITOR'S CERTIFICATE
(Top Aces)**

RECITALS

A. Pursuant to an Order of the Honourable ■ of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated ■, 2018, KSV Kofman Inc. was appointed as the monitor (the "Monitor") of Discovery Air Inc. (the "Applicant").

B. Pursuant to an Order of the Court dated ■, 2018, the Court approved the agreement of purchase and sale made as of ■, 2018 (the "Sale Agreement") between the Applicant and CEP IV Co-Investment Limited Partnership, Clairvest Equity Partners IV Limited Partnership, Clairvest Equity Partnership IV-A Limited Partnership, DA Holdings Limited Partnership and G. John Krediet (collectively, the "Purchasers") and provided for the vesting in the Purchasers of the Applicant's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchasers of a certificate confirming: (i) the payment by the Purchasers of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 6 of the Sale Agreement

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have been satisfied or waived by the Applicant and the Purchasers; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchasers have paid and the Applicant has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 6 of the Sale Agreement have been satisfied or waived by the Applicant and the Purchasers; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

**KSV KOFMAN INC., in its capacity as
Monitor of Discovery Air Inc., and not in its
personal capacity**

Per: _____
Name:
Title:

Schedule "B" – Permitted Encumbrances

Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

1. Encumbrances imposed by Applicable Law that rank in priority as at the Closing Date to the Encumbrances created by or resulting from the Clairvest Security Documents, including, but not limited to: (i) any applicable Encumbrances in favour of mechanics, labourers, workmen, builders, contractors, suppliers of goods or services, or other similar Encumbrances incidental to construction, maintenance or repair operations; and (ii) any applicable purchase money security interests under applicable personal property security legislation.
2. Other than for any restrictions in respect of the Transaction, any transfer restrictions on the TA Holdings Shares or the TA Shares.

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Schedule 1.1(ww)

Sale Procedure Order

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEEKDAY, THE #
)
JUSTICE) DAY OF MONTH, 2018
)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

SSP APPROVAL ORDER

THIS MOTION, made by Discovery Air Inc. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCA**") for an order, *inter alia*, approving a sale and solicitation process and certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicant, the affidavit of ■ sworn ■, 2018, and the Exhibits thereto (the "**Affidavit**"), the First Report of KSV Kofman Inc., in its capacity as Monitor (the "**Monitor**") dated ■, 2018, filed, and on hearing the submissions of counsel for the Applicant, the Monitor and [**Clairvest Group Inc.**], no one else appearing although duly served as appears from the Affidavit of Service of ■ sworn ■, 2018, filed:

SERVICE

- 1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
- 2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them under the sale and solicitation process attached hereto as Schedule “■” (the “SSP”).

APPROVAL OF STALKING HORSE AGREEMENTS

- 3. **THIS COURT ORDERS** that the execution, delivery, entry into, compliance with, and performance by the Applicant of each of the Top Aces Stalking Horse Agreement, GSH Stalking Horse Agreement, ATL Stalking Horse Agreement and DMS Stalking Horse Agreement (each, as defined in the ■ Affidavit, and, collectively the “**Stalking Horse Agreements**”), be and is hereby ratified, authorized and approved, *provided, however*, that nothing contained in this Order approves the sale or the vesting of any property, assets or undertaking of the Applicant to either of the Stalking Horse Bidders pursuant to any of the Stalking Horse Agreements and that, if any or all of the Stalking Horse Agreements are the Accepted Bid under the SSP, the approval of the sale and vesting of the assets contemplated to be sold thereunder to the applicable Stalking Horse Bidder shall be considered by this Court on a subsequent motion or motions made to this Court following completion of the SSP, all in accordance with the terms of the SSP.
- 4. **THIS COURT ORDERS** that the Stalking Horse Agreements be and are hereby approved and accepted solely for the purposes of constituting stalking horse bids under the SSP.
- 5. **THIS COURT DECLARES** that the Stalking Horse Bidders are parties to these proceedings.
- 6. **THIS COURT ORDERS** that the Stalking Horse Agreements shall not be rendered invalid or unenforceable and the rights and remedies of the Stalking Horse Bidders thereunder shall not otherwise be limited or impaired in any way by: (a) the Applicant’s CCAA proceedings and the declarations of insolvency made in connection therewith; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”),

or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of security interests, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “Agreement”) which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the execution, delivery or performance of the Stalking Horse Agreements shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party; and
- (b) the Stalking Horse Bidders shall not have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the Stalking Horse Agreements.

APPROVAL OF SSP

7. **THIS COURT ORDERS** that the SSP (subject to such non-material amendments as may be agreed to by the Monitor and the Stalking Horse Bidders (including all schedules thereto)) be and is hereby approved and the Monitor, the Applicant and the Non-Applicant Subsidiaries (as defined in the Initial Order) are hereby authorized and directed to take such steps as they deem necessary or advisable (subject to the terms of the SSP) to carry out the SSP, subject to prior approval of this Court being obtained before completion of any transaction(s) under the SSP.

8. **THIS COURT ORDERS** that the Monitor, the Applicant, the Non-Applicant Subsidiaries and their respective affiliates, partners, directors, employees, advisors, 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 their duties under the SSP, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or wilful misconduct of the Monitor, the Applicant, or the Non-Applicant Subsidiaries, as applicable, as determined by the Court.

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9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Monitor, the Applicant and the Non-Applicant Subsidiaries (under the direction of the Monitor) are hereby authorized and permitted to disclose and transfer to each potential bidder (the “**Bidders**”) (including, without limitation, the Stalking Horse Bidders) and to their Representatives, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Companies’ records pertaining to the Companies’ past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale of the shares and assets contemplated by the Stalking Horse Agreements (a “**Sale**”). Each Bidder or Representative to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Sale, and if it does not complete a Sale, shall return all such information to the Monitor, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Monitor. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the Accepted Bid(s), shall be entitled to use the personal information provided to it that is related to the Property acquired pursuant to the SSP in a manner that is in all material respects identical to the prior use of such information by the relevant Company or Companies, and shall return all other personal information to the Monitor, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Monitor.

GENERAL

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or any other jurisdiction, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

11. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

12. **THIS COURT ORDERS** that at any time during the SSP, the Monitor, the Applicant or any Stalking Horse Bidder may apply to the Court for directions with respect to the SSP.

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SCHEDULE "A"

SALE SOLICITATION PROCESS

Introduction

On March [21], 2018, Discovery Air Inc. (the "**Debtor**") commenced a proceeding (the "**CCAA Proceeding**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") before the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Pursuant to the initial order issued by the Court in the CCAA Proceeding (the "**Initial Order**"), KSV Kofman Inc. was appointed as monitor (the "**Monitor**") in the CCAA Proceeding.

The following Schedules are incorporated into this SSP: (a) Schedule "A" – References and Definitions; (b) Schedule "B" – Form of Acknowledgment of Sale Solicitation Process; (c) Schedule "C" – Addresses for Notice; and (d) Schedule "D" – Auction Procedures.

On ■, 2018, the Debtor brought a motion (the "**SSP Motion**") before the Court, for, among other things, an order (the "**SSP Order**") approving:

- (a) the Top Aces Stalking Horse Agreement pursuant to which the Top Aces Stalking Horse Bidder has agreed to: (i) purchase: (A) the Holdco Shares; (B) certain assets owned by the Debtor and used in the Top Aces business and/or shared between the Top Aces business and the businesses of GSH, ATL and DMS (together with the Holdco Shares, the ("**Top Aces Property**")); and (C) intercompany debt owing by Top Aces to the Debtor, if any and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness, if any;
- (b) the following Stalking Horse Agreements between the Debtor and the Northern Stalking Horse Bidder:
 - (i) the GSH Stalking Horse Agreement pursuant to which the Northern Stalking Horse Bidder has agreed to: (i) purchase: (A) the GSH Shares; (B) certain assets owned by the Debtor and used in the GSH business as more particularly described in the GSH Stalking Horse Agreement (together with the GSH Shares, the "**GSH Property**") (C) certain intercompany debt owing by GSH to the Debtor (the "**GSH Intercompany Debt**"); and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness of the Debtor;
 - (ii) the ATL Stalking Horse Agreement pursuant to which the Northern Stalking Horse Bidder has agreed to: (i) purchase: (A) the ATL Shares; (B) certain assets owned by the Debtor and used in the ATL business as more particularly described in the ATL Stalking Horse Agreement (together with the ATL Shares, the "**ATL Property**") (the "**ATL Intercompany Debt**"); and (C) certain intercompany debt owing by ATL to the Debtor; and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness owing by the Debtor;
 - (iii) the DMS Stalking Horse Agreement pursuant to which the Northern Stalking Horse Bidder has agreed to: (i) purchase: (A) the DMS Shares;

(B) certain assets owned by the Debtor and used in the DMS business as more particularly described in the DMS Stalking Horse Agreement (together with the DMS Shares, the “DMS Property”); and (C) certain intercompany debt owing by DMS to the Debtor, if any; and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness owing by the Debtor; and

(c) this SSP.

On ■, 2018, the Court granted the SSP Order. The Monitor will conduct the SSP in accordance with the SSP Order.

Under the SSP, all qualified interested parties will be provided with an opportunity to participate in the SSP on the terms set out herein.

Commencement of the SSP and Identifying Bidders

1. The purpose of the SSP is to conduct certain processes to provide interested parties with opportunities to submit competing offers on an “as is, where is” basis to purchase: (a) the Top Aces Property; (b) the GSH Property, the GSH Intercompany Debt or all or substantially all of the assets of GSH; (c) the ATL Property, the ATL Intercompany Debt or all or substantially all of the assets of ATL; and (d) the DMS Property or all or substantially all of the assets of DMS (each, an “Opportunity”). The SSP shall apply to each of the Opportunities and the related processes and transactions, including without limitation, the Top Aces Transaction, GSH Transaction, ATL Transaction and DMS Transaction.
2. Any sales pursuant to this SSP will be without surviving representations or warranties of any kind, nature, or description by the Monitor, the Companies or any of their respective directors, officers, agents, advisors or other representatives unless otherwise agreed in a definitive agreement.
3. All of the Debtor’s right, title and interest in and to any of the Property or other assets to be sold pursuant to any Transactions will be sold free and clear of the pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon as set out in the Court order approving such sale unless specifically permitted to continue pursuant to the terms of the Accepted Bid.

Timeline

4. The following table sets out the key milestones and deadlines under the SSP:

Milestone	Deadline (Top Aces SSP)	Deadline (GSH SSP)	Deadline (ATL SSP)	Deadline (DMS SSP)
Commencement SSP	April 4, 2018	April 4, 2018	April 4, 2018	April 4, 2018
Bid Deadline	May 21, 2018	June 4, 2018	June 4, 2018	June 4, 2018

Auction	May 31, 2018	June 14, 2018	June 14, 2018	June 14, 2018
Closing Date Deadline	July 31, 2018	July 31, 2018	July 31, 2018	July 31, 2018

Solicitation of Interest: Notice of the SSP

5. The Debtor will issue a press release providing notice of the SSP and any such other relevant information as the Debtor and Monitor consider appropriate (a “**Notice**”) with Canada Newswire for designated dissemination in Canada and major financial centres in the United States.
6. The Monitor shall be entitled, but not obligated, to arrange for a Notice to be published in *The Globe and Mail* (National Edition), and any other newspaper or industry journals as the Monitor considers appropriate, if any, if it believes that such advertisement would be useful in the circumstances.
7. The Monitor has prepared:
 - (a) a list of potential financial bidders who may be interested in a Top Aces Transaction and a list of potential financial and strategic bidders who may be interested in any or all of the Northern Transactions (collectively, “**Potential Bidders**”);
 - (b) Teaser Letters describing the Opportunities, outlining the processes under the Top Aces SSP and Northern SSP, respectively, and inviting recipients of the Teaser Letters to express their interest pursuant to the applicable SSP or SSPs;
 - (c) a form of NDA; and
 - (d) two CIMs describing the Opportunities, which will be made available by the Monitor to Bidders (as defined below).
8. The Monitor has established Data Rooms in respect of the various SSPs which Data Rooms may continue to be updated from time to time during the SSP process.
9. The Monitor may consult with, or seek the assistance or cooperation of, the Companies with respect to the activities described in paragraphs 6, 6 and 8 above.
10. The Monitor will send the applicable Teaser Letter(s) and applicable form or forms of NDA to all applicable Potential Bidders as soon as reasonably practicable after the granting of the SSP Order and to any other party who requests a copy of a Teaser Letter and NDA or who is identified by the Debtor or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Delivery of CIMs

11. Any party who wishes to participate in one or more of the SSPs (an “**Interested Party**”) including any Potential Bidder, must provide to the Monitor:

- (a) a NDA executed by it, and a letter setting forth the identity of the Interested Party, the contact information for such Interested Party and full disclosure of the direct and indirect principals of the Interested Party;
 - (b) an acknowledgment of the applicable SSP or SSPs in which the Interested Party wishes to participate, in the form attached hereto as Schedule "B"; and
 - (c) such form of financial disclosure and credit quality support or enhancement that allows the Monitor to make a reasonable determination as to the Interested Party's financial and other capabilities to consummate a Sale Proposal.
12. If it is determined by the Monitor, in its reasonable business judgment, that an Interested Party: (i) has delivered the documents contemplated in paragraph 11 above; and (ii) has the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale pursuant to the SSP or SSPs in which the Interested Party is interested, then such Interested Party will be deemed to be a "Bidder". For greater certainty, the Monitor may, in its reasonable business judgment, determine that an Interested Party may be deemed a Bidder in one SSP but not another.
13. The Monitor will provide each Bidder with a copy of the applicable CIM(s) and access to any corresponding Data Rooms. Bidders and Qualified Bidders (as defined in paragraph 24 below) must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in any of the SSPs and any transaction they enter into with the Debtor. The Companies, the Monitor and their respective directors, officers, agents and advisors make no representation or warranty as to the information (i) contained in any of the CIMs or the Data Rooms; (ii) provided through the due diligence process or otherwise made available pursuant to any of the SSPs; or (iii) otherwise made available to a Potential Bidder, Interested Party, Bidder or Qualified Bidder, except to the extent expressly contemplated in any definitive sale with the Successful Bidder (as defined below) duly executed and delivered by the Debtor and approved by the Court.
14. At any time during the SSP, the Monitor may, in its reasonable business judgment, eliminate a Bidder from any of the SSPs, in which case such party will no longer be a Bidder for the purposes of such SSP, provided however, this provision does not apply to either of the Stalking Horse Bidders. For greater certainty, the Monitor may, in its reasonable business judgment, eliminate a Bidder participating in multiple SSPs from one but not other SSPs.
15. None of the Companies nor any of its affiliates, shall meet or communicate with a Potential Bidder, Interested Party, Bidder or Qualified Bidder, including the Stalking Horse Bidders, in respect of the Stalking Horse Bids, regarding any Transaction or Opportunity without (a) informing the Monitor and (b) allowing the Monitor the right and opportunity to participate in such meeting, management presentation or communication. In the event a disagreement arises between the Debtor and the Monitor with respect to any matters related directly or indirectly to this SSP, the Monitor, unless otherwise ordered by the Court, shall have the sole authority to make a final decision with respect to such matters.

16. Representatives of the Debtor shall not communicate the identities of any Interested Parties or information in respect of any bids or transaction documents to representatives of either of the Stalking Horse Bidders, whether in that capacity or any other capacity unless and until the identity of the Qualified Bidders are exchanged with all other Qualified Bidders at Auction. For greater certainty, the foregoing provision is not intended to prevent or restrict the Companies from meeting or communicating with either of the Stalking Horse Bidders or any party related thereto regarding matters that do not relate to the SSP.
17. The Monitor, with the Debtor's assistance, shall afford each Bidder such access to applicable due diligence materials and information pertaining to the applicable SSP or SSPs as the Monitor deems appropriate in its reasonable business judgment. Due diligence access may include management presentations, access to the Data Room(s), on-site inspections, and other matters which a Bidder may reasonably request and which the Monitor deems appropriate. The Monitor will designate one or more representatives to coordinate all reasonable requests for additional information and due diligence access from each Bidder and the manner in which such requests must be communicated. Neither the Debtor nor the Monitor will be obligated to furnish any information relating to the Property to any person other than to Bidders. For the avoidance of doubt, selected due diligence materials may be withheld from certain Bidders if the Monitor determines such information to represent proprietary or sensitive competitive information.

Formal Offers and Determination of Qualified Bids

18. Bidders will be able to refer to template Purchase Agreements (which will be based on the Stalking Horse Agreements) placed in the Data Rooms.
19. Bidders that wish to make a formal offer within one or more of the SSPs (a "**Sale Proposal**") must submit offers to the Monitor so as to be received by the Monitor not later than 5:00 PM (Toronto Time) on **[June 4]**, 2018, (the "**Bid Deadline**"). All offers in respect of the applicable Property must be in the form of a duly authorized and executed Purchase Agreement with any changes disclosed in a comparison against the template Purchase Agreement, if applicable, (a "**Final Bid**") at each of the addresses specified in Schedule "C" hereto and may be submitted by email and/or hard copy delivery. Bidders who wish to submit a Sale Proposal for the assets of any or all of GSH, ATL and/or DMS may submit any such Sale Proposal in a separate form of asset purchase agreement reflecting terms consistent with an insolvency transaction, including without surviving representations and warranties. For greater certainty, Bidders must submit a separate Purchase Agreement or asset purchase agreement for each SSP in which the Bidder is making a Sale Proposal.
20. The Monitor, in consultation with the Debtor, may modify the Bid Deadline with respect to some or all of the SSPs. Any such modification shall be communicated to all Bidders for the applicable SSP in writing and posted on the Monitor's Website.
21. In order to be considered a Final Bid, a Sale Proposal shall include the following terms (collectively, the "**Final Bid Criteria**"):

- (a) Subject to subsection (b) below, that the bid is binding and irrevocable until the earlier of (i) 30 days after the Bid Deadline and (ii) approval by the Court of the Accepted Bid (the “**Bid Termination Date**”);
- (b) include an acknowledgement that if such Final Bid is selected by the Monitor as the Backup Bid at the Auction, such Final Bid shall remain binding, irrevocable and open for acceptance by the Debtor until the closing of the transaction with the Successful Bidder;
- (c) include a refundable cash deposit in the form of a wire transfer (to a bank account specified by the Monitor) or such other form of deposit as is acceptable to the Monitor, payable to the Monitor, in trust, in an amount equal to 15% (the “**Deposit**”) of the purchase price contemplated by the Bidder’s Final Bid;
- (d) provide contact information (including an email address) for the Bidder and disclose the identity of each entity (including its ultimate shareholders and/or sponsors) that will be bidding for the Property or otherwise participating in a Final Bid and the complete terms of any such participation;
- (e) include written evidence of a firm, irrevocable commitment for financing or other evidence of an ability to consummate the proposed transaction or transactions comprising the Final Bid, that will allow the Monitor to make a determination as to the Bidder’s financial and other capabilities to consummate the proposed transaction;
- (f) include acknowledgments and representations of the Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property, the Debtor or otherwise prior to making its bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of the Property (including, without limitation, any documents in connection therewith) in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Property or the Debtor or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Debtor and approved by the Court;
- (g) include written evidence, in form and substance reasonably satisfactory to 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;
- (h) provides value to the creditors and other stakeholders of the Debtor (having regard to the relative priority of creditor claims) that is equal to or greater than the value of the applicable Stalking Horse Agreement;
- (i) details of any liabilities to be assumed by the Bidder;
- (j) not be subject to further due diligence;

- (k) not be subject to financing;
 - (l) include a description of any regulatory or other third-party approvals required for the Bidder to consummate the sale transaction, and the time period within which the Bidder expects to receive such regulatory and/or third-party approvals, and those actions the Bidder will take to ensure receipt of such approvals as promptly as possible;
 - (m) include a description of any desired arrangements with respect to transition services that may be required from any of the Companies in connection with the sale transaction;
 - (n) not be subject to any conditions precedent except those that are customary in a transaction of this nature;
 - (o) not be conditional upon approval by the Court of any bid protection, such as a break-up fee, termination fee, expense reimbursement or similar type of payment;
 - (p) be received by the Bid Deadline; and
 - (q) contemplate closing the transaction set out therein on or before **[July 31]**, 2018 (the "**Closing Date Deadline**").
22. Following the Bid Deadline, the Monitor will determine if each Sale Proposal delivered to the Monitor meets the Final Bid Criteria, provided that each Sale Proposal may be negotiated among the Monitor and the applicable Bidder and may be amended, modified or varied to improve such Sale Proposal as a result of such negotiations. The Monitor shall be under no obligation to negotiate identical terms with, or extend identical terms to, each Bidder.
23. On notice to parties in the CCAA Proceeding, the Monitor may seek Court approval of an amendment to the SSP or any one of them that it considers material. For greater certainty, the extension of any deadline by up to two weeks shall not be considered material.
24. If a Sale Proposal meets the Final Bid Criteria, such Final Bid will be deemed to be a "**Qualified Bid**" and the Bidder in respect of each such Qualified Bid shall be a "**Qualified Bidder**" in respect of the applicable SSP. The Monitor may waive strict compliance with any one or more of the Final Bid Criteria and deem such non-compliant Sale Proposal to be a Qualified Bid, provided that doing so shall not constitute a waiver by the Monitor of the Final Bid Criteria or an obligation on the part of the Monitor to designate any other Sale Proposal as a Qualified Bid.

Selection of Successful Bidders

25. On or before June 11, 2018, or at such later time as the Monitor may deem appropriate, the Monitor will advise each Bidder if its Sale Proposal is a Qualified Bid (the "**Notification Date**") with respect to the applicable SSP.

26. If one or more Qualified Bids for a particular SSP is received by the Bid Deadline (as such deadline may be extended by the Monitor as set out herein), all Qualified Bidders for such SSP shall proceed to an Auction with the applicable Stalking Horse Bidder, to be held on June 14, 2018, which shall proceed according to the Auction Procedures to identify the Successful Bidder. For greater certainty, each Stalking Horse Bidder is, and is deemed to be, a Qualified Bidder in respect of the applicable SSP and each Stalking Horse Agreement is, and is deemed to be, a Qualified Bid for all purposes in connection with the applicable SSP. The Monitor, in consultation with the Debtor, may postpone or delay the commencement of an Auction with respect to either or both of the SSPs. Any such postponement or delay shall be posted at the Auction Location, communicated to all applicable Qualified Bidders for the applicable SSP in writing and posted on the Monitor's Website.
27. If no Qualified Bid for a SSP other than the Stalking Horse Purchase Agreement is received by the Bid Deadline (as the same may be extended by the Monitor as set out herein), an Auction for such SSP will not be held and that Stalking Horse Bidder will be declared to be the Successful Bidder with respect to the applicable Transaction. The "**Accepted Bid**" for a SSP will be either (i) the applicable Stalking Horse Bid if no Qualified Bid for such SSP is received by the Bid Deadline or so designated by the Monitor; or (ii) in the event of an Auction, the highest and best bid as determined by the Monitor at the Auction. The party that submitted the Accepted Bid for a SSP is referred to herein as the "**Successful Bidder**" with respect to such SSP.
28. If, upon the conclusion of an Auction, the Stalking Horse Bidder is not the Successful Bidder, the Successful Bidder's transaction shall be considered to be a superior transaction (a "**Superior Transaction**").
29. Within seven (7) Business Days of the selection of an Accepted Bid for a Transaction (or as soon as reasonably possible thereafter), the Debtor shall file an Approval Motion. All of the Qualified Bids for that Transaction and SSP other than the applicable Accepted Bid, the Backup Bid and the Stalking Horse Bid, shall be deemed rejected by the Monitor on and as of the date of approval of the applicable Accepted Bid by the Court.
30. All Deposits will be retained by the Monitor in trust. The Monitor shall deposit all Deposits with interest bearing accounts. Any Deposit held by the Monitor with respect to the Accepted Bid (plus accrued interest, if any) will be non-refundable (other than as may be provided for in the Purchase Agreement that constitutes the Accepted Bid) and will be applied to the purchase price to be paid by the Successful Bidder upon closing of the transaction under the Accepted Bid. The Deposits (plus applicable interest, if any) of Bidders not selected as Qualified Bidders will be returned to such Bidders within three (3) Business Days of the Notification Date. The Deposits (plus applicable interest, if any) of Qualified Bidders (other than the Backup Bidder) not selected as the Successful Bidder will be returned to such parties within three (3) Business Days of the Bid Termination Date.
31. If the Successful Bidder for any Transaction fails to close the transaction contemplated by the Accepted Bid by the earlier to occur of the applicable Closing Date Deadline and the closing date under the Accepted Bid (or such date that may otherwise be mutually agreed

upon among the Debtor, the Monitor and the Successful Bidder), the Monitor shall be authorized but not required to: (a) direct the Debtor to exercise such rights and remedies as are available to the Debtor under the Accepted Bid including, if applicable, deeming that the Successful Bidder has breached its obligations pursuant to the Accepted Bid and that the Successful Bidder has forfeited its Deposit to the Debtor; (b) designate the Backup Bidder as the Successful Bidder and direct the Debtor to close the transaction under the Backup Bid; or (c) take such other steps as it deems advisable. The Debtor reserves its right to seek all available damages, including specific performance, from any defaulting Successful Bidder (including any Backup Bidder designated as a Successful Bidder).

Confidentiality and Access to Information

32. Each Potential Bidder, Interested Party, Bidder or Qualified Bidder (including the Stalking Horse Bidder) 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, Bidders, Qualified Bidders, Qualified Bids, the details of any bids submitted or the details or existence of any confidential discussions or correspondence among the Debtor, the Monitor and any Bidder in connection with any SSP in which such parties are participating.
33. In addition, the Monitor may consult with any other parties with a material interest in the CCAA Proceeding regarding the status and material information and developments relating to any or all of the SSPs to the extent considered appropriate by the Monitor and taking into account, among other things, whether any particular party is a Bidder, Qualified Bidder, or other participant or prospective participant in one or more of the SSPs; provided that such parties may be required to enter into confidentiality arrangements satisfactory to the Monitor. For greater certainty, Clairvest shall not be entitled to any information regarding the status of the SSP unless such information is provided to all Qualified Bidders in the process.

Supervision of the SSP

34. The Monitor will oversee, in all respects, the conduct of the SSP and, without limitation, the Monitor will participate in the SSP in the manner set out herein and in the SSP Order. All discussions or inquiries to the Debtors regarding the SSP shall be directed to the Monitor. Under no circumstances should representatives of the Companies be contacted directly or indirectly in respect of the SSP, including diligence requests, without the prior written consent of the Monitor. Any such unauthorized contact or communication could result in exclusion from any or all of the SSP processes. For greater certainty, the foregoing provision is not intended to prevent or restrict the Debtor or its affiliates and representatives from meeting or communicating with any Stalking Horse Bidder, in a capacity other than as a Stalking Horse Bidder, or any party related thereto regarding matters that do not relate to the SSP.
35. Other than as specifically set forth in the Stalking Horse Agreements or in a definitive agreement between the Companies and the Successful Bidder under a Superior Transaction, the SSP does not, and will not be interpreted to create any contractual or other

legal relationship among the Debtor, the Monitor, any Potential Bidder, Interested Party, Bidder, Qualified Bidder, the Successful Bidder, or any other party.

36. Subject to the terms of the Initial Order and any entitlement of the Stalking Horse Bidder to a Stalking Horse Expense Reimbursement, participants in the SSP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Final Bid, participation in the SSP, Auction, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

SCHEDULE "A"- REFERENCES AND DEFINITIONS

In this document, unless the context otherwise required, words importing the singular include the plural and vice versa. Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Initial Order. Except where otherwise expressly provided, all dollar reference amounts are to Canadian dollars.

The terms below shall have the following meaning given to them:

- (a) **"Accepted Bid"** has the meaning given to it in paragraph 27;
- (b) **"Air Tindi Transaction"** means the transaction contemplated by the ATL Stalking Horse Agreement or any other transaction under the ATL Stalking Horse Agreement or any improved bid pursuant to the process set out herein;
- (c) **"Approval Motion"** the Debtor's motion or motions to be filed with the Court seeking one or more orders to approve the Accepted Bids;
- (d) **"ATL"** means Air Tindi Ltd.;
- (e) **"ATL Property"** has the meaning given to it in the Introduction;
- (f) **"ATL Shares"** means 1870 issued and outstanding Class A common shares in the capital of ATL, being 100% of the issued and outstanding shares of ATL;
- (g) **"ATL SSP"** the sale and solicitation process to solicit bids for the ATL Property as set out herein;
- (h) **"ATL Stalking Horse Agreement"** means the stalking horse agreement between the Debtor and the Northern Stalking Horse Bidder dated as of ■, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the ATL Property;
- (i) **"Auction"** means an auction conducted pursuant to this SSP pursuant to the Auction Procedures;
- (j) **"Auction Location"** has the meaning given to it in paragraph 1 of the Auction Procedures;
- (k) **"Auction Procedures"** mean the auction procedures set out in Schedule "D" hereto;
- (l) **"Backup Bid"** has the meaning given to it in paragraph 13 of the Auction Procedures;

- (m) “**Backup Bidder**” has the meaning given to it in paragraph 13 of the Auction Procedures;
- (n) “**Bid Deadline**” has the meaning given to it in paragraph 19;
- (o) “**Bid Termination Date**” has the meaning given to it in paragraph 21(a);
- (p) “**Bidder**” has the meaning given to it in paragraph 12;
- (q) “**Business Day**” means any day, other than Saturday or Sunday, on which the principal commercial banks in Toronto are open for commercial banking business during normal banking hours;
- (r) “**CCAA**” has the meaning given to it in the Introduction;
- (s) “**CCAA Proceeding**” has the meaning given to it in the Introduction;
- (t) “**Closing Date Deadline**” has the meaning given to it in paragraph 21(q);
- (u) “**CIM**” means a confidential information memorandum to be prepared by the Monitor in connection with a SSP;
- (v) “**Companies**” means the Debtor, Top Aces, Top Aces Holdco, GSH, ATL and DMS;
- (w) “**Court**” has the meaning given to it in the Introduction;
- (x) “**Credit Bid**” means a bid that provides for all or part of the consideration to be paid to be satisfied by way of a credit bid of secured indebtedness of the Debtor;
- (y) “**Data Rooms**” the electronic data rooms to be established by the Monitor in connection with the SSP;
- (z) “**Deposit**” has the meaning given to it in paragraph 21(c);
- (aa) “**Debtor**” has the meaning given to it in the Introduction;
- (bb) “**Discovery Mining Transaction**” means the transaction contemplated by the DMS Stalking Horse Agreement or any other transaction under the DMS Stalking Horse Agreement or any improved bid pursuant to the process set out herein;
- (cc) “**DMS**” means Discovery Mining Services Ltd.
- (dd) “**DMS Property**” has the meaning given to it in the Introduction;

- (ee) “**DMS Shares**” means 22,883,047 issued and outstanding Class A common shares in the capital of DMS, being 100% of the issued and outstanding shares of DMS;
- (ff) “**DMS SSP**” the sale and solicitation process to solicit bids for the DMS Property as set out herein;
- (gg) “**DMS Stalking Horse Agreement**” means the stalking horse agreement between the Debtor and the Northern Stalking Horse Bidder dated as of ■, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the DMS Property
- (hh) “**Final Bid**” has the meaning given to it in paragraph 19;
- (ii) “**Final Bid Criteria**” has the meaning given to it in paragraph 20;
- (jj) “**Great Slave Transaction**” means the transaction contemplated by the GSH Stalking Horse Agreement or any other transaction under the GSH Stalking Horse Agreement or any improved bid pursuant to the process set out herein;
- (kk) “**GSH**” means Great Slave Helicopters Ltd.;
- (ll) “**GSH Property**” has the meaning given to it in the Introduction;
- (mm) “**GSH Shares**” means (i) 157,891,795 issued and outstanding Class A common shares; (ii) 1,111 issued and outstanding Class D common shares; (iii) 40,000,000 issued and outstanding Class E common shares; (iv) 7,624 issued and outstanding Class F Preferred shares; (v) 11,072 issued and outstanding Class G Preferred shares; and (vi) 14,400 issued and outstanding Class H Preferred shares issued and outstanding common shares in the capital of GSH, being 100% of the issued and outstanding shares of GSH;
- (nn) “**GSH SSP**” the sale and solicitation process to solicit bids for the GSH Property as set out herein;
- (oo) “**GSH Stalking Horse Agreement**” means the stalking horse agreement between the Debtor and the Northern Stalking Horse Bidder dated as of ■, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the GSH Property;
- (pp) “**Holdco Shares**” means 253.83602 issued and outstanding Class A common shares in the capital of Top Aces Holdco being 100% of the shares of Top Aces Holdco owned by the Debtor;
- (qq) “**Initial Order**” has the meaning given to it in the Introduction;
- (rr) “**Interested Party**” has the meaning given to it in paragraph 11;

- (ss) “**Potential Bidders**” has the meaning given to it in paragraph 6;
- (tt) “**Leading Bid**” has the meaning given to it in paragraph 11 of the Auction Procedures;
- (uu) “**Monitor**” has the meaning given to it in the Introduction;
- (vv) “**Monitor’s Website**” means the Monitor’s website at www.ksvadvisory.com/insolvency-cases/discovery-air;
- (ww) “**NDA**” one or more forms of non-disclosure agreement to be used in connection with the solicitation of bids in this SSP;
- (xx) “**Northern SSP**” means collectively the GSH SSP, ATL SSP and DMS SSP;
- (yy) “**Northern Transactions**” means the Great Slave Transaction, Air Tindi Transaction and Discovery Mining Transaction;
- (zz) “**Northern Stalking Horse Bidder**” means 10671541 Canada Inc.;
- (aaa) “**Northern Stalking Horse Agreements**” means the GSH Stalking Horse Agreement, ATL Stalking Horse Agreement and DMS Stalking Horse Agreement;
- (bbb) “**Notice**” has the meaning given to it in paragraph 6;
- (ccc) “**Notification Date**” has the meaning given to it in paragraph 25;
- (ddd) “**Opportunity**” has the meaning given to it in paragraph 1;
- (eee) “**Overbid**” has the meaning given to it in paragraph 9 of the Auction Procedures;
- (fff) “**Property**” means the Top Aces Property, GSH Property, ATL Property and/or the DMS Property as the context may require;
- (ggg) “**Purchase Agreements**” means the template forms of purchase agreements to be placed in the Data Rooms upon which Bidders are to make Sale Proposals;
- (hhh) “**Qualified Bid**” has the meaning given to it in paragraph 24;
- (iii) “**Qualified Bidder**” has the meaning given to it in paragraph 24;
- (jjj) “**Sale Proposal**” has the meaning given to it in paragraph 19;
- (kkk) “**SSP**” means this sale and solicitation process document and the processes set out herein including without limitation the Top Aces SSP, GSH SSP, ATL SSP or DMS SSP or any one of them as the context may require;

- (lll) “**SSP Motion**” has the meaning given to it in the Introduction;
- (mmm) “**SSP Order**” has the meaning given to it in the Introduction;
- (nnn) “**Stalking Horse Agreements**” means the Top Aces Stalking Horse Agreement and the Northern Stalking Horse Agreement;
- (ooo) “**Stalking Horse Bidder**” means the Top Aces Stalking Horse Bidder and the Northern Stalking Horse Bidder;
- (ppp) “**Starting Bid**” has the meaning given to it in paragraph 7 of the Auction Procedures;
- (qqq) “**Subsequent Bid**” has the meaning given to it in paragraph 4 of the Auction Procedures;
- (rrr) “**Successful Bidder**” has the meaning given to it in paragraph 27;
- (sss) “**Superior Transaction**” has the meaning given to it in paragraph 28;
- (ttt) “**Teaser Letter**” means the process summary letters to be prepared by the Monitor in connection with the SSP;
- (uuu) “**Top Aces**” means Top Aces Inc. (formerly known as Discovery Air Defence Services Inc.);
- (vvv) “**Top Aces Holdco**” means Top Aces Holdings Inc.;
- (www) “**Top Aces Property**” has the meaning given to it in the Introduction;
- (xxx) “**Top Aces SSP**” the sale and solicitation process to solicit bids for the Top Aces Property as set out herein;
- (yyy) “**Top Aces Stalking Horse Agreement**” means the stalking horse agreement between the Debtor and the Top Aces Stalking Horse Bidder dated as of ■, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the Top Aces Property;
- (zzz) “**Top Aces Stalking Horse Bidder**” means, collectively, CEP IV Co-Investment Limited Partnership, Clairvest Equity Partners IV Limited Partnership, Clairvest Equity Partnership IV-A Limited Partnership, DA Holdings Limited Partnership and G. John Krediet;
- (aaaa) “**Top Aces Transaction**” means the transaction contemplated by the Top Aces Stalking Horse Agreement or any other transaction under the Top Aces Stalking Horse Agreement or any improved bid pursuant to the process set out herein;

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(bbb) "**Transactions**" means the Top Aces Transaction, Great Slave Transaction, Air Tindi Transaction and/or Discovery Mining Transaction.

SCHEDULE "B"

Acknowledgement of the Sale and Solicitation Process

TO: Discovery Air Inc.

AND TO: KSV Kofman Inc. in its capacity as monitor in the CCAA proceedings of Discovery Air Inc.

RE: Sale and Solicitation Process in respect of the following Transaction(s) [*check all that apply*]:

- Top Aces Transaction
 - Great Slave Transaction
 - Air Tindi Transaction
 - Discovery Mining Transaction
-

The undersigned hereby acknowledges receipt of the sale and solicitation process approved by the Order of the Honourable Justice ■ of the Ontario Superior Court of Justice (Commercial List) dated ■, 2018 (the "SSP") and that compliance with the terms and provisions of the SSP is required in order to participate in the SSP and for any Final Bid (as defined in the SSP) to be considered by the Monitor.

This ___ day of _____, 2018.

[Insert Interested Party name]

Per:
Email Address:

SCHEDULE "C" – ADDRESSES FOR NOTICES

KSV Kofman Inc.

Court-Appointed Monitor in Discovery Air Inc.'s CCAA proceedings

150 King Street West

Suite 2308, Box 42

Toronto ON M5H 1J9

Attention: Bobby Kofman & David Sieradzki

Email: bkofman@ksvadvisory.com/ dsieradzki@ksvadvisory.com

-with copies to-

Goldman Sloan Nash & Haber LLP

Lawyers for the Debtor

1600-480 University Avenue

Toronto, ON M5G 1V2

Attention: Michael Rotsztain and Jennifer Stam

Email: rotsztain@gsnh.com/ stam@gsnh.com

Goodmans LLP

Lawyers for the Monitor

Bay Adelaide Centre

333 Bay Street, Suite 3400

Toronto ON M5H 2S7

Attention: Joe Latham

Email: jlatham@goodmans.ca

SCHEDULE "D" - AUCTION PROCEDURES

1. The Auctions for each SSP, if any, shall be conducted by the Monitor, commencing on June 14, 2018, at 10:00 a.m. (Toronto time) at the offices of Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, ON, M5H 2S7 or such other location as the Monitor may choose in advance of the commencement of an Auction (the "**Auction Location**"). No later than 24 hours prior to the scheduled date of the Auction, the Monitor shall communicate any change in the Auction Location from the offices of Goodmans LLP to another location to all applicable Qualified Bidders in writing and post notice of such change in location at the offices of Goodmans LLP and on the Monitor's Website.
2. To the extent that the Monitor is to conduct multiple Auctions, it may choose to conduct such Auctions concurrently or consecutively in its discretion. Any delay or postponement of the commencement of an Auction shall be communicated in accordance with paragraph 26 of the SSP.
3. Unless otherwise ordered by the Court or consented to in writing by the Monitor, only the authorized representatives and professional advisors of the Monitor, the Companies, the applicable Stalking Horse Bidder, and each other Qualified Bidder invited to an Auction shall be eligible to attend an Auction and make any Subsequent Bid (as defined below) at an Auction. Administrative personnel, including, without limitation, a court reporter or similar official, will also attend an Auction at the invitation of the Monitor.
4. At an Auction, all applicable Qualified Bidders (including a Stalking Horse Bidder) shall be permitted to increase their Qualified Bids in accordance with the procedures set forth herein (each, a "**Subsequent Bid**"). All Subsequent Bids presented during an Auction shall be made and received in one room on an open basis. All participating Qualified Bidders shall be entitled to be present for all bidding with the understanding that the true identity of each participating Qualified Bidder shall be fully disclosed to all other Qualified Bidders and that all material terms of each Subsequent Bid presented during an Auction will be fully disclosed to the participating Qualified Bidders throughout an entire Auction.
5. All Qualified Bidders must have at least one individual representative with authority to bind such Qualified Bidder present in person at the offices of Goodmans LLP during the Auction(s).
6. All proceedings at an Auction shall be transcribed.
7. At least two (2) days prior to an Auction, the Monitor will advise all Qualified Bidders for the applicable SSP which of the Qualified Bids (including a Stalking Horse Agreement) the Monitor has determined in its reasonable business judgment,

after consultation with its advisors and the Companies, constitutes the then highest or otherwise best Qualified Bid (the “**Starting Bid**”).

8. The Starting Bid will be deemed to be the first bid at the Auction and bidding at the Auction will continue, in one or more rounds of bidding, so long as during each round at least one Subsequent Bid is submitted by a Qualified Bidder that, in the reasonable business judgment of the Monitor improves upon the then Leading Bid and meets the Overbid requirement.
9. The first round of bidding at an Auction in respect of the following processes and transactions shall commence in the following increments:
 - (a) bidding in respect of the Top Aces Transaction shall commence in increments of \$■;
 - (b) bidding in respect of the GSH Transaction shall commence in increments of \$■
 - (c) bidding in respect of the ATL Transaction shall commence in increments of \$■; and
 - (d) bidding in respect of the DMS Transaction shall commence in increments of \$■,

(each, an “**Overbid**”). The Monitor shall be entitled to change the amount of Overbid in subsequent rounds of bidding at the Auction in its discretion.
10. Credit Bids will be permitted at an Auction, provided that the validity of such secured indebtedness has been confirmed by the Monitor prior to commencement of such Auction. Bidding shall continue until such time as the highest or best bid is determined by the Monitor, in its reasonable business judgment, after consultation with its advisors. The Monitor, in its sole discretion, shall have the right to modify the bidding increments at the commencement of any round of the Auction. For the purpose of evaluating the value of the consideration provided by each Subsequent Bid (including any Subsequent Bid by a Stalking Horse Bidder) presented at the Auction, the value will take into account the amount and priority of any Credit Bid and any liabilities to be assumed by a Qualified Bidder.
11. After the first round of bidding and between each subsequent round of bidding, the Monitor shall announce the Subsequent Bid that the Monitor has determined in its reasonable business judgment, after consultation with its advisors, to be the then highest or best bid (the “**Leading Bid**”). A round of bidding will conclude after each participating Qualified Bidder has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.

12. If no Qualified Bidder submits a Subsequent Bid (as determined by the Monitor) after a period of 30 minutes following the Monitor's acceptance of a Subsequent Bid as the Leading Bid, and the Monitor chooses not to adjourn an Auction, the Leading Bid shall be the Accepted Bid, whereupon such Auction will be concluded. The Monitor shall have the right, but not the obligation, to extend the time period to submit an offer.
13. If an Auction is conducted, the Monitor shall determine, in its reasonable business judgment after consultation with its advisors, the next highest or otherwise best Qualified Bid after the Accepted Bid (the "**Backup Bid**"). The Qualified Bidder which has submitted the Backup Bid will be designated as the "**Backup Bidder**". The Backup Bidder shall be required to keep its last submitted Subsequent Bid, or if it has not made a Subsequent Bid, its Qualified Bid (the "**Backup Bid**") open and irrevocable until the closing of the transaction with the Successful Bidder.
14. At or during an Auction, the Monitor, after consultation with its advisors, may employ and announce additional procedural rules that are fair and reasonable under the circumstances (e.g., the amount of time allotted to make Subsequent Bids) for conducting such Auction; provided, however, that such rules are (a) not inconsistent with the SSP or these Auction Procedures, the CCAA, any order of the Court entered in connection with the SSP or Auction Procedures and (b) disclosed to each Qualified Bidder at or during the Auction.

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

Court File No.:

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DISCOVERY AIR
INC. (the "APPLICANT")

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

SSP APPROVAL ORDER

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Fax: 416-597-6477

Mario Forte (LSUC#: 27293F)
Tel: 416.597.6477
Email: forte@gsnh.com

Michael Rotsztain (LSUC#: 17086M)
Tel: 416.597.7870
Email: rotsztain@gsnh.com

Jennifer Stam (LSUC#: #46735J)
Tel: 416.597.5017
Email: stam@gsnh.com

Lawyers for the Applicant

Schedule 2.1(b)**Assigned Contracts**

1. Sage 300 ERP Silver Business Care Contract between Sage and Discovery Air Inc.
2. Baass SLA Support for Sage 300 ERP: Platinum Plan Contract between Baass Business Solutions and Discovery Air Inc.
3. Oracle Support Service for HFM suite Contract between Oracle and Discovery Air Inc.
4. AMS Plus & Enterprise Plan Contract between Aircraft Maintenance Systems and Discovery Air Inc.
5. SMS Pro Monthly Enterprise Subscription - DA Defence & GSH & ATL Contract between Northwest Data Solutions and Discovery Air Inc.
6. IBM Lotus Domino Collaboration Express Authorized User Annual Sw Subscription & Support Renewal Contract among Fused Air Inc., Discovery Air Inc. and Discovery Air Defence Services Inc.
7. IBM Lotus Notes Support/Development - Don Newman Contract among Don Newman (consultant), Discovery Air Inc. and Discovery Air Defence Services Inc.
8. IBM Lotus Notes Support/Development - Dan Mincu Contract between Dan Mincu (consultant) and Discovery Air Inc.
9. Ace Payroll Contract among Ace Payroll Services Inc., Discovery Air Inc. and Discovery Air Defence Services Inc.
10. Ceridian Powerpay Contract among Ceridian Canada Ltd. and Discovery Air Inc., et al.
11. Microsoft Licensing for 2017 Contract between SoftChoice and Discovery Air Inc.
12. Service Desk Plus (Year to year) Contract between Service Desk Plus and Discovery Air Inc.
13. Avepoint migration and management Contract between Avepoint and Discovery Air Inc.
14. Alarm system Contract
15. Dery Telecom YBG internet Contract among Dery Telecom Inc., Discovery Air Inc. and Discovery Air Defence Services Inc.
16. Bell bid oe Contract between Bell and Discovery Air Inc.
17. Conferencing system Contract

18. Bell hosting Contract between Bell and Discovery Air Inc.
19. Mobility Contract between Bell and Discovery Air Inc.
20. Networking EMAN ATL Contract among Northwestel, Discovery Air Inc. and Air Tindi Ltd.
21. Networking EMAN GSH Contract among Northwestel, Discovery Air Inc. and Great Slave Helicopters Ltd.
22. Bell networking Contract between Bell and Discovery Air Inc.
23. Ricoh printers Contract among Ricoh and Discovery Air Inc., et al.
24. Bell Long Distance Contract between Bell and Discovery Air Inc.
25. Bell SIP Contract between Bell and Discovery Air Inc.
26. Dayforce HCM implementation - Canada only (Master Services Agreement and change requests) Contract among Ceridian and Discovery Air Inc., et al.
27. Dayforce HCM implementation - International Employees (Germany only) Contract among Ceridian and Discovery Air Inc., et al.
28. Dayforce HCM implementation - Custom Report build for Employee HR Contract between Ceridian and Discovery Air Inc.
29. ATL Internet Contract among Northwestel, Discovery Air Inc. and Air Tindi Ltd.
30. Magor server Contract between AppHost Canada and Discovery Air Inc.
31. Master Services Agreement (Retail) Contract between Bell Canada and Discovery Air Inc.

TAB B

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Execution Version

This is Exhibit "B" referred to in the affidavit of Paul Bernardi sworn before me at Toronto this 15 day of June, 2018

A Commissioner for taking Affidavits for Ontario

**ASSET PURCHASE AGREEMENT
(AIR TINDI)**

DISCOVERY AIR INC.

as Seller

- and -

10671541 CANADA INC.

as Buyer

March 21, 2018

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of March 21, 2018

B E T W E E N:

DISCOVERY AIR INC., a corporation incorporated under the laws of the Province of Ontario, and continued under the laws of Canada

(the “**Seller**”)

- and -

10671541 CANADA INC., a corporation existing under the laws of Canada

(the “**Buyer**”)

RECITALS:

- A. The Seller, through its subsidiaries, provides specialty aviation services to governments, airlines, and natural resource and other business customers, operating across Canada and in select locations internationally, including the United States, Bolivia, Australia, and Chile (together with any other business in which the Seller is engaged on the date hereof, the “**Business**”).
- B. The Seller legally and beneficially owns, as at the date hereof, 1870 issued and outstanding Class A common shares in the capital of Air Tindi Ltd. (“**Air Tindi**”), as well as certain other property, assets and undertaking that are used in connection with the business conducted by Air Tindi (the “**Air Tindi Business**”).
- C. On March 21, 2018, the Seller commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”), and an initial order (the “**Initial CCAA Order**”) was granted by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), pursuant to which, *inter alia*, KSV Kofman Inc. was appointed as the monitor of the Seller (in such capacity, the “**Monitor**”).
- D. As at January 31, 2018, the Seller is indebted to CEP IV Co-Investment Limited Partnership, Clairvest Equity Partners IV Limited Partnership, Clairvest Equity Partners IV-A Limited Partnership, DA Holdings Limited Partnership and G. John Krediet (the “**Clairvest Convertible Debentureholders**”) pursuant to the Clairvest Convertible Debentures (as defined herein), in the aggregate principal amount of \$72,700,000 (such amount, together with all outstanding interest, fees and costs incurred relating thereto, at any given time, the “**Clairvest Secured Indebtedness Amount**”), which indebtedness is secured by the Clairvest Security Documents (as defined herein).
- E. Pursuant to the DIP Credit Agreement (as defined herein), CEP IV Co-Investment Limited Partnership, an affiliate of Clairvest, has agreed to provide a secured super-priority debtor-in-possession non-revolving credit facility of up to \$12,600,000 (the

indebtedness thereunder, including outstanding interest, fees and costs incurred relating thereto, at any given time, the “Clairvest DIP Indebtedness Amount”).

- F. The Buyer and the Clairvest Convertible Debentureholders are affiliates.
- G. The Seller wishes to sell, and the Buyer wishes to purchase as a “stalking horse bidder” pursuant to the Sale Procedures and the Sales Procedures Order (each, as defined herein), the Purchased Assets (as defined herein), subject to the terms and conditions of this Agreement.
- H. The Seller has determined that it is in the best interests of its stakeholders to enter into this Agreement, subject to the terms and conditions herein, and to consummate the transactions contemplated herein on the terms set forth herein.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Agreement,

- (a) “**affiliate**” of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly through one or more intermediaries, and “control” and any derivation thereof means the control by one Person of another Person in accordance with the following: a Person (“A”) controls another Person (“B”) where A has the power to determine the management and policies of B by contract or status (for example the status of A being the general partner of B) or by virtue of beneficial ownership of a majority of the voting interests in B; and for certainty and without limitation, if A owns shares to which are attached more than 50% of the votes permitted to be cast in the election of directors (or other Persons performing a similar role) of B, then A controls B for this purpose;
- (b) “**Agreement**” means this Asset Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and all attached Schedules and unless otherwise indicated, references to Articles, Sections and Schedules are to Articles, Sections and Schedules in this Agreement;
- (c) “**Air Tindi**” has the meaning given to such term in Recital B;
- (d) “**Air Tindi Business**” has the meaning given to such term in Recital B;

- (e) “**Air Tindi Shares**” has the meaning given to such term in Section 2.1(b);
- (f) “**Applicable Law**” means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, restriction, by-law (zoning or otherwise), order, or any consent, exemption, approval or licence of any Governmental Authority, that applies in whole or in part to the Transaction, the Seller, the Buyer, the Business or any of the Purchased Assets;
- (g) “**Approval and Vesting Order**” means the form of Court order attached as Schedule “1.1(g)” hereto, with any amendments thereto to be acceptable to each of Seller and Buyer, each acting reasonably;
- (h) “**Assigned Contracts**” has the meaning given to such term in Section 2.1(c); and
- (i) “**Assumed Liabilities**” has the meaning given to such term in Section 2.2;
- (j) “**Business**” has the meaning given to such term in Recital A;
- (k) “**Business Day**” means any day, other than a Saturday or Sunday, on which the principal commercial banks in Toronto are open for commercial banking business during normal banking hours;
- (l) “**Buyer**” has the meaning given to such term in the preamble to this Agreement;
- (m) “**CCAA**” has the meaning given to such term in Recital C;
- (n) “**CCAA Proceedings**” has the meaning given to such term in Recital C;
- (o) “**Clairvest Convertible Debentureholders**” has the meaning given to such term in Recital D;
- (p) “**Clairvest Convertible Debentures**” means the convertible debentures issued by the Seller on September 23, 2011, and administered by Clairvest GP;
- (q) “**Clairvest Convertible Debentures Indebtedness Assumption Amount**” means the portion of the Clairvest Secured Indebtedness that is to be assumed by the Buyer in partial satisfaction of the Purchase Price, which amount shall be determined pursuant to Section 3.3;
- (r) “**Clairvest DIP Indebtedness Amount**” has the meaning given to such term in Recital E;
- (s) “**Clairvest DIP Indebtedness Assumption Amount**” means the portion of the Clairvest DIP Indebtedness Amount that is to be assumed by the Buyer in partial satisfaction of the Purchase Price, which amount shall be determined pursuant to Section 3.3;
- (t) “**Clairvest GP**” means Clairvest GP Manageco Inc.;

- (u) **“Clairvest Secured Indebtedness Amount”** has the meaning given to such term in Recital D;
- (v) **“Clairvest Security Documents”** means all documents, contracts and agreements pursuant to which Encumbrances have been created or granted to or for the benefit of the debentureholders under the Clairvest Convertible Debentures and/or Clairvest GP to secure payment and performance of the Seller’s obligations to the debentureholders under the Clairvest Convertible Debentures and/or Clairvest GP (including payment of the Clairvest Secured Indebtedness Amount), including debentures, general security agreements, pledges of equity, and aircraft-specific security, charging all or certain present and after-acquired assets, personal property and undertakings of the Seller;
- (w) **“Closing”** means the completion of the Transaction at the Closing Time;
- (x) **“Closing Date”** means July 31, 2018, or such later date as the Parties may agree in writing, acting reasonably;
- (y) **“Closing Documents”** means all contracts, agreements and instruments required by this Agreement to be delivered at or before the Closing;
- (z) **“Closing Time”** means 10:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place;
- (aa) **“Confidential Information”** means non-public, confidential, personal or proprietary information which is furnished to a Party by the other Party, including, without limitation, information about identifiable individuals, any information relating to a Party and its Affiliates or any customer or supplier of a Party; provided that “Confidential Information” does not include information that:
 - (i) is or becomes generally available to the public other than as a result of disclosure in breach of this Agreement;
 - (ii) is received by a Party from a third party that obtained it lawfully and was under no duty of confidentiality;
 - (iii) was lawfully in a Party’s possession prior to disclosure thereof by the other Party; or
 - (iv) was independently developed by a Party without use of, or reference to, the other Party’s Confidential Information;
- (bb) **“Contracts”** means contracts, licences, permits, leases, agreements, commitments, entitlements or engagements;
- (cc) **“Court”** has the meaning given to such term in Recital C;

- (dd) **“Court Approval”** means the issuance of the Approval and Vesting Order by the Court;
- (ee) **“Court Orders”** has the meaning given to such term in Section 8.1(c);
- (ff) **“DIP Credit Agreement”** means the debtor-in-possession loan term sheet between CEP IV Co-Investment Limited Partnership and the Seller;
- (gg) **“Encumbrance”** means any security interest, lien, prior claim, charge, hypothec, hypothecation, reservation of ownership, pledge, encumbrance, mortgage or adverse claim of any nature or kind;
- (hh) **“Excluded Liabilities”** has the meaning given to such term in Section 2.2;
- (ii) **“Final”** with respect to any order of any court of competent jurisdiction, means that leave to appeal or reconsideration shall not have been sought in respect of such order and that such order shall not have been stayed, appealed, varied (except with the consent of the Buyer and Seller) or vacated, and all time periods within which leave to appeal and reconsideration could at law be sought shall have expired and all time periods within which such order could at law be appealed shall have expired;
- (jj) **“Governmental Authority”** means any domestic or foreign government, regulatory authority, governmental department, agency, ministry, commission, bureau, court (including the Court), tribunal, judicial body, arbitral body, commission, stock exchange, board or other law, rule or regulation-making entity:
 - (i) having jurisdiction over the Seller, the Buyer, the Transaction or the Purchased Assets on behalf of any country, province, state, municipality or other geographical or political subdivision thereof; or
 - (ii) exercising or entitled to exercise any administrative, judicial, legislative, regulatory or Taxing Authority or power;
- (kk) **“Governmental Authorizations”** means the permits, licences, approvals and authorizations, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued to or held or required by the Seller relating to the Business or any of the Purchased Assets by or from any Governmental Authority;
- (ll) **“HST”** means the sales tax payable under the HST Legislation;
- (mm) **“HST Legislation”** means Part IX of the *Excise Tax Act* (Canada);
- (nn) **“IFRS”** means International Financial Reporting Standards;
- (oo) **“including”** and **“includes”** shall be interpreted on an inclusive basis and shall be deemed to be followed by the words “without limitation”;

- (pp) “**Initial CCAA Order**” has the meaning given to such term in Recital C;
- (qq) “**Material Adverse Change**” or “**Material Adverse Effect**” means any change, development, effect, event, circumstance, fact or occurrence that, individually or in the aggregate with such other changes, developments, effects, events, circumstances, facts or occurrences, is, or would reasonably be expected to be, material and adverse to the business, properties, assets, liabilities (contingent or otherwise), condition (financial or otherwise), operations or results of operations of the Seller, the Business, the Air Tindi Business and/or the Purchased Assets, or that prevents or materially delays or would reasonably be expected to prevent or materially delay the Seller from Closing; other than any change, development, effect, event, circumstance, fact or occurrence arising out of, attributable to or resulting from: (A) any action expressly required or permitted by this Agreement or relating to the Seller’s current financial condition, including the CCAA Proceedings; (B) general political, economic or financial conditions in Canada or elsewhere in the world; (C) any change generally affecting the industries in which the Business and/or the Air Tindi Business is conducted (including changes in prices, costs of materials, labor, or shipping, general market prices, or regulatory changes in any such industry); (D) acts of terrorism or war (whether or not declared); (E) any changes to existing Applicable Law (including the interpretation thereof); (F) any changes to IFRS or the adoption, implementation or proposal of any new accounting principles; (G) hurricanes, earthquakes, storms, floods or other natural disasters, epidemics, pandemics, outbreak or escalation of hostilities, the declaration of war, acts or terrorism, or acts of God; (H) any action consented to by the Buyer; (I) any failure by the Seller to meet any projections or estimates (including internal projections or estimates) of revenues, earnings, working capital or performance for any period; or (J) material disposition or change in financial circumstances from a sale under the Sale Procedures;
- (rr) “**Monitor**” has the meaning given to such term in Recital C;
- (ss) “**Monitor’s Certificate**” means the certificate filed with the Court by the Monitor certifying that the Monitor has received written confirmation, in form and substance satisfactory to the Monitor, from the Seller and the Buyer that: (i) all conditions to Closing set forth in Article 6 have been satisfied or waived; and (ii) the Buyer has paid, and the Seller has received, the Purchase Price;
- (tt) “**Parties**” means the Seller and the Buyer collectively, and “**Party**” means either the Seller or the Buyer, as applicable;
- (uu) “**Permitted Encumbrances**” means, with respect to the Purchased Assets:
- (i) Encumbrances imposed by Applicable Law that rank in priority as at the Closing Date to the Encumbrances created by or resulting from the Clairvest Security Documents, including, but not limited to: (i) any applicable Encumbrances in favour of mechanics, labourers, workmen,

builders, contractors, suppliers of goods or services, or other similar Encumbrances incidental to construction, maintenance or repair operations; and (ii) any applicable purchase money security interests under applicable personal property security legislation; and

- (ii) other than for any restrictions in respect of the Transaction, any transfer restrictions on the Air Tindi Shares;
- (vv) **“Person”** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;
- (ww) **“Purchase Price”** has the meaning given to such term in Section 3.1;
- (xx) **“Purchased Assets”** has the meaning given to such term in Section 2.1;
- (yy) **“Restricted Rights”** has the meaning given to such term in Section 2.3;
- (zz) **“Sale Procedures”** means the sale solicitation process scheduled to the Sale Procedures Order, with any amendments thereto to be acceptable to each of the Seller and the Buyer, each acting reasonably;
- (aaa) **“Sale Procedures Order”** means the form of Court order attached as Schedule “1.1(aaa)” hereto, with any amendments thereto to be acceptable to each of Seller and Buyer, each acting reasonably;
- (bbb) **“Seller”** has the meaning given to such term in the preamble to this Agreement;
- (ccc) **“Tax”** and **“Taxes”** means any and all:
 - (i) taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Authority, including those with respect to goods and services, harmonized sales, transfer, land transfer, use, real or personal property, and registration fees; and
 - (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority on or in respect of amounts of the type described in clause (i) above or this clause (ii);
- (ddd) **“Tax Act”** means the *Income Tax Act* (Canada), as amended and any relevant legislation of a province imposing tax similar to the *Income Tax Act* (Canada);
- (eee) **“Taxing Authority”** means any Governmental Authority, domestic or foreign, having jurisdiction over the assessment, determination, collection, or other imposition of any Tax;

- (fff) **“Transaction”** means, collectively, the of sale and purchase of the Purchased Assets pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the sale and purchase of the Purchased Assets;
- (ggg) **“Transfer Taxes”** has the meaning given to such term in Section 7.4(c);
- (hhh) **“Transition Services”** has the meaning given to such term in Section 7.6; and
- (iii) **“Transition Services Agreements”** has the meaning given to such term in Section 7.6.

1.2 Schedules

The schedules to this Agreement are an integral part of this Agreement.

<u>Schedule</u>	<u>Description</u>
Schedule 1.1(g)	Form of Approval and Vesting Order
Schedule 1.1(aaa)	Sale Procedures Order
Schedule 2.1(c)	Assigned Contracts

1.3 Statutes

Unless specified otherwise, reference in this Agreement to a statute refers to that statute as it may be amended, or to any restated or successor legislation of comparable effect.

1.4 Headings and Table of Contents

The inclusion of headings and a table of contents in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

1.5 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.6 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars.

1.7 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

1.8 Entire Agreement

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

1.9 Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by all Parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

1.10 Governing Law; Jurisdiction and Venue

This Agreement, the rights and obligations of the Parties under this Agreement, and any claim or controversy directly or indirectly based upon or arising out of this Agreement or the Transaction (whether based on contract, tort, or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof. The Parties consent to the exclusive jurisdiction and venue of the Court prior to a Final order of the Court terminating the CCAA Proceedings and thereafter to the Courts of Ontario for the resolution of any disputes arising under this Agreement. Each Party agrees that service of process on such Party as provided in Section 11.6 shall be deemed effective service of process on such Party.

**ARTICLE 2
PURCHASE AND SALE**

2.1 Agreement to Purchase and Sell Purchased Assets

Upon and subject to the terms and conditions of this Agreement, at the Closing the Seller shall sell, assign, transfer, convey and deliver, and the Buyer shall purchase, free and clear of all Encumbrances other than the Permitted Encumbrances, all of the Seller’s right, title and interest in, to and under, or relating to, the assets, property and undertaking, owned by the Seller and used solely in connection with or for the benefit of Air Tindi and the Air Tindi Business (collectively the “**Purchased Assets**”), including, without limitation, the following property, assets and undertaking:

- (a) *Air Tindi Shares* – 1870 issued and outstanding Class A common shares in the capital of Air Tindi (the “**Air Tindi Shares**”), together with any share certificates, powers of attorney, endorsements, rights to purchase or otherwise acquire or obtain any additional shares of, or equity in, Air Tindi, including without limitation, any and all conversion rights in respect thereof, and transfer powers evidencing or in respect of the Air Tindi Shares;
- (b) *Books and Records* – all original books and records, minute books, corporate seals, Tax records, taxpayer and other identification numbers and other documents relating thereto, and records otherwise relating to the organization, maintenance and existence of Air Tindi as a Person or otherwise relating to the Air Tindi Business or any administrative functions in respect thereof (including, without limitation, all books and records relating to any accounting, finance, payroll, human resource, and other administrative functions), and whether in hardcopy or electronic form;
- (c) *Assigned Contracts* – each of the Contracts relating to the Air Tindi Business set out on Schedule 2.1(c) hereto, as such schedule may be amended by Buyer in its sole discretion prior to Closing to add or remove Contracts (provided, for greater certainty, that there shall be no change in the Purchase Price resulting from any such additions or deletions to the schedule) (the “**Assigned Contracts**”);
- (d) *Intercompany and Certain Other Claims* – any and all debts, liabilities, obligations, causes of action and other claims that Seller may have against Air Tindi and the officers and directors of Air Tindi, whether presently existing or contingent, or otherwise based on facts in existence and knowable to the Seller as of the Closing Date; and
- (e) *Other Assets* – any other property, assets and undertaking of the Seller that are specifically identified by the Buyer on or before Closing and that relate solely to the conduct of the Air Tindi Business (provided, for greater certainty, that there shall be no further increase in the Purchase Price resulting therefrom).

2.2 Assumption and/or Satisfaction of Liabilities

The Buyer shall assume and/or establish terms with the applicable lenders in respect of the principal debts of the Seller as of the Closing Date, and shall pay, discharge and perform, as the case may be, from and after the Closing Date the following liabilities and obligations of the Seller (collectively, the “**Assumed Liabilities**”):

- (a) *Obligations under Assigned Contracts, etc.* – all liabilities and obligations (including any cure costs but excluding any post-filing costs, such post-filing costs to be paid by the Seller) under or in respect of the Assigned Contracts;
- (b) *Clairvest Convertible Debentures Indebtedness Assumption* – liabilities and obligations under the Clairvest Convertible Debentures equal to the Clairvest Convertible Debentures Indebtedness Assumption Amount;

- (c) *CIBC Indebtedness* – all liabilities and obligations arising from, or in relation to, the Amended and Restated Credit Agreement among, *inter alia*, the Seller, the Canadian Imperial Bank of Commerce and Air Tindi, as a guarantor, dated May 26, 2015;
- (d) *Element Indebtedness* – all liabilities and obligations arising from, or in relation to, an Aircraft Loan Agreement, dated as of January 31, 2014, as amended, and an Aircraft Loan Agreement, dated of March 31, 2014, each among, *inter alia*, the Seller, Element Financial Corporation and Air Tindi, as a guarantor;
- (e) *RoyNat Indebtedness* – all liabilities and obligations arising from, or in relation to, an Aircraft Loan Agreement, dated as of March 26, 2012, as amended, among, *inter alia*, the Seller, Roynat Inc. and Air Tindi;
- (f) *Intercompany Obligations* – all liabilities and obligations arising from, or in relation to, intercompany transactions between the Seller and Air Tindi; and
- (g) *Permitted Encumbrances* – all liabilities and obligations arising from, or in relation to, the Permitted Encumbrances,

but the Buyer shall not be liable for, or assume, any other obligations or liabilities of the Seller (all such other obligations or liabilities, the “**Excluded Liabilities**”).

2.3 Assignment of Purchased Assets

The Seller and the Buyer shall use their reasonable commercial efforts to obtain prior to the Closing Date any necessary consents or approvals in order to assign the Assigned Contracts. To the extent assignable and transferable to the Buyer, all Assigned Contracts shall be assigned by the Seller to the Buyer on Closing.

Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or transfer any Purchased Asset or any right thereunder if an attempted assignment or transfer of such Purchased Asset or right thereunder without the consent of a third Person would constitute a breach thereunder (“**Restricted Rights**”), unless: (i) such consent is obtained; or (ii) the assignment has been ordered by the Court. The Seller shall hold any such Restricted Rights in trust for the Buyer until such time as consent and/or approval has been obtained, to the extent applicable. If a consent to transferring the Restricted Rights to the Buyer is not obtained, or such assignment is not attainable, the Seller and the Buyer will cooperate and use their respective commercially reasonable efforts to implement a mutually agreeable arrangement pursuant to which the Buyer will obtain the benefits and assume the liabilities and obligations related to such Restricted Rights in accordance with this Agreement including, at the election and expense of the Buyer, applying to the Court before or after Closing for an order compelling the assignment and for related relief, including, without limitation, pursuant to Section 11.3 of the CCAA.

The Seller and the Buyer shall use their reasonable commercial efforts to obtain prior to the Closing Date any necessary consents or approvals arising from, or in relation to, any change of control provisions in Contracts of Air Tindi. If any such consent or approval is not obtained,

or any such consent or approval is not attainable, the Seller and the Buyer will cooperate and use their respective commercially reasonable efforts to implement a mutually agreeable arrangement pursuant to which Air Tindi will continue to enjoy the benefits of, and remain liable and obligated under, such Contracts of Air Tindi, including, at the election and expense of the Buyer, applying to the Court before or after Closing for an order compelling, overriding, or obviating the need to obtain, any such approval or consent and for related relief.

In the event that the Transaction is subject to a consent requirement pursuant to any Contract of Air Tindi so as not to be in breach of, or to otherwise permit the termination of, such Contract, the Seller and the Buyer shall use their reasonable commercial efforts to obtain any such consent on or before Closing.

To the extent that the Seller would incur any out-of-pocket costs and expenses after the Closing Time in order to comply with a specific obligation under this Section 2.3, the Seller shall not have to incur such out-of-pocket costs and expenses to comply with such obligation unless the Buyer shall have provided the Seller with the funds necessary to pay such out-of-pocket costs and expenses.

Notwithstanding the foregoing: (i) nothing in this Section 2.3 shall require the Seller to renew any Restricted Rights once they have expired; and (ii) any efforts required of the Seller pursuant to this Section 2.3 shall be strictly on an interim basis and in no event be required to continue for more than 120 days following the Closing Date.

2.4 Excluded Obligations

Other than the Assumed Liabilities, the Buyer shall not assume and shall not be liable, directly or indirectly, or otherwise responsible for any debts, liabilities or other obligations of the Seller to any Person.

2.5 “As is, Where Is”

The Buyer acknowledges and agrees that all of the Purchased Assets are being purchased on an “as is, where is” basis as they shall exist at Closing. Unless and solely to the extent expressly set forth in this Agreement, no representation, warranty or covenant is expressed or implied by the Seller, including any warranties as to title, encumbrances, description, merchantability or fitness for a particular purpose, environmental compliance, condition, quantity or quality, or in respect of any other matter or thing whatsoever concerning the Business, the Air Tindi Business and/or the Purchased Assets or the right of the Seller to sell or assign the same. Without limiting the generality of the foregoing, any and all conditions, warranties, or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario), as amended, or similar legislation do not apply hereto and have been waived by the Buyer. This Section 2.5 shall not merge on Closing and is deemed incorporated by reference into all Closing Documents and deliveries.

ARTICLE 3
PURCHASE PRICE AND RELATED MATTERS

3.1 Purchase Price

The purchase price payable by the Buyer to the Seller for the Purchased Assets (the “**Purchase Price**”) shall be: (i) the amount of the Clairvest DIP Indebtedness Assumption Amount; plus (ii) the Clairvest Convertible Debentures Indebtedness Assumption Amount, which amounts, in the aggregate, total \$19,765,000; plus (iii) the amount of the Assumed Liabilities (less each of the Clairvest DIP Indebtedness Assumption Amount and the Clairvest Convertible Debentures Indebtedness Assumption Amount). The Buyer shall satisfy the Purchase Price at the Closing Time by: (i) assuming liabilities and obligations under the DIP Credit Agreement equal to the Clairvest DIP Indebtedness Assumption Amount; (ii) assuming liabilities and obligations under the Clairvest Convertible Debentures equal to the Clairvest Convertible Debentures Indebtedness Assumption Amount; and (iii) assuming and/or providing for the satisfaction of the Assumed Liabilities (less each of the Clairvest DIP Indebtedness Assumption Amount and the Clairvest Convertible Debentures Indebtedness Assumption Amount).

On or before Closing, the Buyer shall have the right, but not the obligation, to assume additional Clairvest DIP Indebtedness Amounts and/or Clairvest Secured Indebtedness Amounts that are not otherwise assumed by the Buyer pursuant to the preceding paragraph.

3.2 Purchase Price Allocation Among Purchased Assets

The Purchase Price shall be allocated among each class of Purchased Assets as agreed by the Parties on or before Closing, acting reasonably. Such allocation shall be binding and the Buyer and the Seller shall each report the purchase and sale of the Purchased Assets for all tax purposes in a manner consistent with such allocation, and will complete and file all tax returns, designations, elections and filings that are necessary or desirable under the Tax Act to give effect to such allocations and shall not take any position or action inconsistent with such allocation.

3.3 Purchase Price Allocation Between Purchase Price Components

The Purchase Price (other than the Assumed Liabilities component described in Section 3.1(iii)) shall be allocated between the Clairvest Convertible Debentures Indebtedness Assumption Amount and the Clairvest DIP Indebtedness Assumption Amount, as determined by the Buyer, in its sole discretion, on or before Closing. Such allocation shall be binding and the Buyer and the Seller shall each report the purchase and sale of the Purchased Assets for all tax purposes in a manner consistent with such allocation, and will complete and file all tax returns, designations, elections and filings that are necessary or desirable under the Tax Act to give effect to such allocations and shall not take any position or action inconsistent with such allocation.

**ARTICLE 4
REPRESENTATIONS AND WARRANTIES BY THE SELLER**

The Seller represents and warrants to the Buyer and acknowledges that the Buyer is relying upon the following representations and warranties in connection with its purchase of the Purchased Assets the matters set out below:

4.1 Existence

The Seller is duly incorporated, organized and existing under the laws of its jurisdiction of organization. Air Tindi is duly organized and validly existing under the laws of its jurisdiction of organization.

4.2 Recitals

The Recitals hereto are true and correct as of the date of this Agreement.

4.3 Due Authorization and Enforceability of Obligations

Subject to Court Approval being obtained, the Seller has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of each of this Agreement, the Closing Documents and the consummation of the Transaction has been duly authorized by all necessary corporate action of the Seller. This Agreement has been, and at the Closing Time the Closing Documents will be, duly executed and delivered by the Seller and constitutes a valid and binding obligation of the Seller enforceable against it in accordance with its terms, as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

4.4 Right to Sell, and Title to, Purchased Assets

The Seller is the registered and/or beneficial owner of the Purchased Assets, with good and marketable title thereto. At the Closing, the Seller shall convey to the Buyer all of the Seller's right, title and interest in and to the Purchased Assets free and clear of all Encumbrances except for Permitted Encumbrances, except with respect to any Assigned Contracts for which consent of a third Person is required for an assignment of such Contract and has not been obtained at the Closing Time.

4.5 Air Tindi Shares

Other than the Clairvest Convertible Debentureholders, the Canadian Imperial Bank of Commerce, Element Financial Corporation and RoyNat Inc., the Air Tindi Shares have not been pledged by the Seller to any Person. The Seller does not hold and has not at any time granted to any Person: (i) any presently outstanding rights or privileges to acquire any unissued equity of Air Tindi; (ii) any right to purchase or otherwise acquire all or any part of the Air Tindi Shares; or (iii) any presently outstanding options, warrants, stock plans or other instruments convertible into equity or other securities of Air Tindi or pursuant to which any Person may acquire equity or other securities of Air Tindi.

4.6 Absence of Conflicts

Except for Court Approval, the Seller is not a party to, bound or affected by or subject to any provision in its articles, by-laws or other constating documents or Applicable Laws or Governmental Authorizations that would be violated, breached by, or under which any default would occur or with notice or the passage of time would be created as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any Closing Documents to be entered into or delivered under the terms of this Agreement, except for any violations, breaches or defaults or any Applicable Laws or Governmental Authorizations that would not have a Material Adverse Effect on the conduct of the Business or on the ability of the Seller to consummate the Transaction.

4.7 Approvals and Consents

Except for: (a) Court Approval; (b) any consent required in connection with the assignment of any Assigned Contract or any Purchased Asset; and (c) any consent or approval arising from, or in relation to, any change of control provisions in Contracts of Air Tindi, no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Seller and each of the Closing Documents to be executed and delivered by the Seller hereunder or the purchase of any of the Purchased Assets hereunder.

4.8 Residence of the Seller

The Seller is not a non-resident of Canada within the meaning of section 116 of the Tax Act.

4.9 HST Registration

The Seller is registered for purposes of HST Legislation and will provide its registration numbers to the Buyer.

4.10 Brokers

No broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Seller.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Seller as follows, and acknowledges that the Seller is relying upon the following representations and warranties in connection with its sale of the Purchased Assets:

5.1 Existence

The Buyer is duly organized and validly existing under the laws of its jurisdiction of organization.

5.2 Recitals

The Recitals hereto are true and correct as of the date of this Agreement.

5.3 Due Authorization and Enforceability of Obligations

The Buyer has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action of the Buyer. This Agreement has been duly executed and delivered by the Buyer and constitutes a valid and binding obligation of the Buyer enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity. At the Closing Time, the Closing Documents required by this Agreement to be delivered by the Buyer will be duly executed and delivered by the Buyer and will constitute a valid and binding obligation of the Buyer enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

5.4 Absence of Conflicts

The Buyer is not a party to, bound or affected by or subject to any provision in its articles, by-laws or other constating documents or Applicable Laws or governmental authorizations, approvals, franchises, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority that would be violated, breached by, or under which any default would occur or with notice or the passage of time would, be created as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any other agreement or document to be entered into or delivered under the terms of this Agreement, except for any violations, breaches or defaults or any Applicable Laws or any governmental authorizations, approvals, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority, that would not have a material and adverse effect on the ability of the Buyer to consummate the transactions hereunder.

5.5 Approvals and Consents

Except for: (a) Court Approval; (b) any consent required in connection with the assignment of any Assigned Contract or any Purchased Asset; and (c) any consent or approval arising from, or in relation to, any change of control provisions in Contracts of Air Tindi, no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this

Agreement by the Buyer and each of the Closing Documents to be executed and delivered by the Buyer hereunder or the purchase of any of the Purchased Assets hereunder.

5.6 Residence of the Buyer

The Buyer is not a non-resident of Canada within the meaning of section 116 of the Tax Act.

5.7 HST Registration

The Buyer, or its assignee(s) acquiring the Purchased Assets, is, or at the Closing Time will be, registered for purposes of HST Legislation and will provide its registration numbers to the Seller.

5.8 Investment Canada Act

The Buyer is (a) either a “Canadian” or “WTO investor” within the meaning of the *Investment Canada Act*; and (b) is not a “state-owned enterprise” within the meaning of the *Investment Canada Act*.

5.9 No Additional Due Diligence

The Buyer acknowledges and agrees that: (a) it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets and the Business prior to the execution of this Agreement; (b) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets and/or the Business; (c) it is not relying upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied, (by operation of law or otherwise), regarding the Purchased Assets or the Business or the completeness of any information provided in connection therewith, except as expressly stated in this Agreement; and (d) the obligations of the Buyer under this Agreement are not conditional upon any additional due diligence.

5.10 Brokers

No broker, finder or investment banker is entitled to any brokerage commission, finder’s fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Buyer.

**ARTICLE 6
CONDITIONS**

6.1 Conditions for the Benefit of the Buyer and the Seller

The respective obligations of the Buyer and of the Seller to consummate the Transaction are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions for their mutual benefit:

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- (a) no provision of any Applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the Transaction pursuant to this Agreement shall have been issued and in effect;
- (b) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction;
- (c) the Sale Procedures Order shall have been issued and entered on or before April 4, 2018, or on or before such later date as the Parties agree to in writing, and shall be Final;
- (d) this Agreement is the Successful Bid (as defined in the Sale Procedures);
- (e) the Approval and Vesting Order shall have been issued and entered on or before June 28, 2018, or on or before such later date as the Parties agree to in writing, and shall be Final;
- (f) the Court shall not have permanently declined to grant the Approval and Vesting Order; and
- (g) the Buyer shall sign, and be bound by the terms of all shareholders' agreements in respect of Air Tindi.

If the conditions set out in this Section 6.1 are not satisfied, performed or mutually waived on or before the Closing Date, either Party shall have the option to terminate this Agreement upon written notice to the other Party.

6.2 Conditions for the Benefit of the Buyer

The obligation of the Buyer to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by the Buyer of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Buyer):

- (a) the representations and warranties of the Seller set forth in this Agreement shall be true and correct at the Closing Time with the same force and effect as if made at and as of such time, except where any failure or failures of any such representations and warranties to be so true and correct would not, individually or in the aggregate, cause a Material Adverse Change (and, for this purpose, any reference to "material", "Material Adverse Change" or any other concept of materiality in such representations and warranties shall be ignored);
- (b) the covenants contained in this Agreement to be performed by the Seller at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (c) after the date of this Agreement and before the Closing Time, there shall not have occurred any Material Adverse Change;

- (d) the Buyer shall have received on Closing a certificate confirming the satisfaction of the conditions contained in Sections 6.2(a) and 6.2(b), signed for and on behalf of the Seller without personal liability by an executive officer of the Seller or other Persons reasonably acceptable to the Buyer, in each case in form and substance reasonably satisfactory to the Buyer;
- (e) the Closing Documents, all other documents relating to the due authorization and completion of the Transaction and all actions and proceedings taken on or prior to the Closing in connection with the performance by the Seller of its obligations under this Agreement shall be satisfactory to the Buyer, acting reasonably, and the Buyer shall have received copies of all such documents and evidence that all such actions and proceedings have been taken as it may reasonably request in form and substance reasonably satisfactory to the Buyer;
- (f) the Purchased Assets shall be assigned and transferred to the Buyer free and clear of all Encumbrances other than Permitted Encumbrances in accordance with the Approval and Vesting Order, and the releases or discharges of all Encumbrances other than Permitted Encumbrances against the Purchased Assets, including any Court-ordered charges in the CCAA Proceedings, shall have been obtained in form and substance satisfactory to the Buyer, acting reasonably;
- (g) if, in its sole discretion, the Buyer has required the entry into one or more Transition Services Agreements, then all such Transition Services Agreements shall have been entered into among the Buyer, the Seller, Air Tindi and the Seller's other subsidiaries, or any combination thereof, each in form and substance acceptable to the Buyer, acting reasonably;
- (h) the Seller shall not have repudiated or terminated the Services Agreement made as of March 21, 2018, among the Seller and its subsidiaries, and shall not have ceased performing its obligations thereunder; and
- (i) since the date first written above, no Material Adverse Change shall have occurred.

Any condition in this Section 6.2 may be waived by the Buyer in whole or in part, without prejudice to its rights of termination in the event of non-fulfillment of any other condition in whole or in part. If any condition set out in this Section 6.2 is not satisfied, performed or waived on or prior to the date specified therefor, the Buyer may elect on written notice to the Seller to terminate this Agreement.

6.3 Conditions for the Benefit of the Seller

The obligation of the Seller to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver where applicable, by the Seller of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Seller):

- (a) the representations and warranties of the Buyer set forth in this Agreement shall be true and correct in all material respects at the Closing Time with the same force and effect as if made at and as of such time;
- (b) the covenants contained in this Agreement to be performed by the Buyer at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (c) the Seller shall have received on Closing a certificate confirming the satisfaction of the conditions contained in Sections 6.3(a) and 6.3(b) signed for and on behalf of the Buyer without personal liability by an executive officer of the Buyer or other persons reasonably acceptable to the Seller, in each case in form and substance reasonably satisfactory to the Seller; and
- (d) all other Closing Documents required pursuant to this Agreement to be delivered by the Buyer on Closing in form and substance reasonably satisfactory to the Seller.

Any condition in this Section 6.3 may be waived by the Seller in whole or in part, without prejudice to its rights of termination in the event of non-fulfillment of any other condition in whole or in part. If any condition set out in this Section 6.36.2 is not satisfied, performed or waived on or prior to the date specified therefor, the Seller may elect on written notice to the Buyer to terminate this Agreement.

**ARTICLE 7
ADDITIONAL AGREEMENTS OF THE PARTIES**

7.1 Access to Information

Until the Closing Time, and subject to the terms and conditions of the Sale Procedures and the Sale Procedures Order, the Seller shall give to the Buyer's personnel engaged in the Transaction and their accountants, advisers, consultants and representatives during normal business hours reasonable access to its premises and to all of the books and records relating to the Business and the Purchased Assets, and the Seller shall furnish them with all such information relating to the Business and the Purchased Assets as the Buyer may reasonably request in connection with the Transaction, and shall coordinate reasonable access by the Buyer to the customers and suppliers of the Business. Notwithstanding anything in this Section 7.1 to the contrary, any such investigation shall be conducted upon reasonable advance notice and in such manner as does not materially disrupt the conduct of the Business. The Seller shall also deliver to the Buyer authorizations to Governmental Authorities necessary to permit the Buyer to obtain information in respect of the Purchased Assets from the files of such Governmental Authorities.

7.2 Covenant Regarding Confidential Information

On or prior to Closing, the Seller shall request any Person that was furnished Confidential Information of the Seller in accordance with the Sale Procedures to return or destroy all such information.

7.3 Further Assurances

Each of the Parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Parties hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use commercially reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement. Upon and subject to the terms and conditions of this Agreement and subject to the directions of any applicable courts to the Seller, the Parties shall use their commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary proper or advisable under Applicable Laws to consummate and make effective the Transaction, including using commercially reasonable efforts to satisfy the conditions precedent to the obligations of the Parties hereto.

7.4 Tax Matters

- (a) The Buyer and the Seller agree to use commercially reasonable efforts to furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance relating to the Purchased Assets as is reasonably necessary for the preparation and filing of any Tax return, claim for refund or other required or optional filings relating to Tax matters, for the preparation for and proof of facts during any Tax audit, for the preparation for any Tax protest, for the prosecution of any suit or other proceedings relating to Tax matters and for the answer to any governmental or regulatory inquiry relating to Tax matters.
- (b) For purposes of any Tax return related to the Transaction, the Buyer and, to the extent applicable, the Seller, agree to report the Transaction in a manner consistent with the Purchase Price allocation determined in accordance with Section 3.2, and the Buyer and the Seller shall not voluntarily take any action inconsistent therewith in any such Tax return, refund claim, litigation or otherwise, unless required by applicable Tax laws. The Buyer and the Seller shall each be responsible for the preparation of their own statements required to be filed under the Tax Act and other similar forms in accordance with applicable Tax laws.
- (c) All amounts payable by the Buyer to the Seller pursuant to this Agreement are exclusive of any HST, or any other federal, provincial, state or local or foreign value-added, sale, use, consumption, multi-staged, ad valorem, personal property, customs, excise, stamp, transfer, land or real property transfer, or similar Taxes, duties, or charges, or any recording or filing fees or similar charges (collectively, "**Transfer Taxes**"). All Transfer Taxes are the responsibility of and for the account of the Party required to pay such taxes under Applicable Laws. The Buyer and the Seller agree to cooperate to determine the amount of Transfer Taxes payable in connection with the Transaction. If the Seller is required by Applicable Law or by administration thereof to collect any applicable Transfer Taxes from the Buyer, the Buyer shall pay such amounts to the Seller concurrent with the payment of any consideration payable pursuant to this Agreement, and

the Seller shall remit or account for such Transfer Taxes to the applicable Governmental Authority on a timely basis and otherwise in accordance with Applicable Laws.

- (d) The Seller shall not be required to deliver any certificates to the Buyer under section 6 of the *Retail Sales Tax Act* (Ontario) or under any similar provision contained in any other Applicable Law in respect of the Transfer Taxes.

7.5 Fees and Expenses

Except as expressly provided in this Agreement, all fees and expenses incurred in connection with the negotiation and settlement of this Agreement and the completion of the Transaction, including the fees and disbursements of counsel, financial advisors and accountants, shall be paid by the Person incurring such fees or expenses.

7.6 Transition Services

The Seller shall provide the Buyer with transition services relating to: (i) record keeping, financial, tax and other reporting obligations and other general administrative services as reasonably requested by the Buyer; and (ii) shared Contracts, services and assets both between the Seller and Air Tindi and among the Seller, Air Tindi and one or more of the Seller's other subsidiaries, or between or among any combination of the foregoing parties (the "**Transition Services**"). The Buyer, in its sole discretion, may require that one or more agreements in respect of the Transition Services be entered into among the Buyer, the Seller, Air Tindi and the Seller's other subsidiaries, or any combination thereof, each in form and substance acceptable to the Buyer, acting reasonably, that are necessary or desirable for the operation of the Air Tindi Business, including, without limitation, in the event that affiliates of the Buyer are not the successful bidders in other sales processes for the Seller's assets conducted in the CCAA Proceedings (such agreements, the "**Transition Services Agreements**").

ARTICLE 8 COURT ORDERS

8.1 Court Orders

- (a) As soon as reasonably possible after the execution of this Agreement, the Seller shall file a motion with the Court for the issuance of, and shall use its best efforts to obtain, the Sale Procedures Order. Such motion shall be scheduled for a date that is on or before April 4, 2018, subject to the availability of the Court.
- (b) Within the time period provided for in the Sale Procedures, and provided that the Buyer is the Successful Bidder (as defined in the Sale Procedures), the Seller shall file a motion with the Court for the issuance of, and shall use its best efforts to obtain, the Approval and Vesting Order. Such motion shall be scheduled for a date that is on or before June 28, 2018, subject to the availability of the Court.
- (c) The Buyer shall use its best efforts to obtain any order or relief described in Section 2.3 (such orders and relief, together with the Sale Procedures Order and

the Approval and Vesting Order, collectively, the “**Court Orders**”). The Buyer shall cooperate with the Seller acting reasonably, as may be necessary, in obtaining the Court Orders, as applicable.

- (d) The Buyer and its legal counsel shall be given a reasonable opportunity to review and comment on:
 - (i) the Seller’s motion materials for the issuance of the Sale Procedures Order; and
 - (ii) to the extent that the Buyer is the Successful Bidder, (A) the Seller’s motion materials for the issuance of the Approval and Vesting Order; and (B) any other materials prepared by the Seller in connection with obtaining the Court Orders (for greater certainty, not including any report or materials filed by the Monitor),

which shall be in form and substance satisfactory to the Buyer prior to being served.

- (e) Notice of the motions seeking the issuance and entry of the Court Orders shall be served by the Seller on all Persons required to receive notice under Applicable Laws and the requirements of the Court, and any other Person determined necessary or advisable by the Seller or the Buyer.

**ARTICLE 9
TERMINATION**

9.1 Termination

This Agreement may be terminated at any time prior to Closing upon the occurrence of any of the following:

- (a) by mutual written consent of the Seller and the Buyer;
- (b) if the Buyer is not the Successful Bidder, by either party upon the earlier of: (i) thirty (30) days after the Bid Deadline (as defined in the Sale Procedures); and (ii) approval by the Court of the Accepted Bid (as defined in the Sale Procedures), provided, however, in the event that the Buyer is the Backup Bidder (as defined in the Sale Procedures), the Buyer may not terminate this Agreement until the closing of the Transaction with the Successful Bidder (as defined in the Sale Procedures);
- (c) by either Party (provided such Party is not in breach of its obligations under this Agreement so as to have caused a closing condition not to be fulfilled), upon written notice to the other, if any condition in Section 6.1 is unsatisfied as of the Closing Date;

- (d) by the Seller (provided that the Seller is not in breach of its obligations under this Agreement so as to have caused a closing condition not to be fulfilled), upon written notice to the Buyer, if any condition in Section 6.3 is unsatisfied on the Closing Date and such violation or breach has not been waived by the Seller or cured by the Buyer within three (3) Business Days after written notice thereof from the Seller to the Buyer; and
- (e) by the Buyer (provided that the Seller is not in breach of its obligations under this Agreement so as to have caused a closing condition not to be fulfilled), upon written notice to the Seller, if any condition in Section 6.2 is unsatisfied on the Closing Date and such violation or breach has not been waived by the Buyer or cured by the Seller within three (3) Business Days after written notice thereof from the Buyer to the Seller.

9.2 Effect of Termination

In the event of termination of this Agreement pursuant to Section 9.1, this Agreement shall forthwith become null and void, except as set forth in Section 9.2 and and Article 11, and nothing herein shall relieve any Party from liability for any breach of this Agreement, or to impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement.

**ARTICLE 10
CLOSING**

10.1 Location and Time of Closing

The Closing shall take place at the Closing Time on the Closing Date at the Toronto, Ontario offices of Torys LLP, or at such other location as may be agreed upon in writing by the Parties hereto.

10.2 Closing Deliveries

- (a) At the Closing, the Seller shall deliver to the Buyer:
 - (i) the documents required to be delivered by the Seller pursuant to Sections 6.1 and 6.2;
 - (ii) the consents and approvals required to be obtained pursuant to Section 2.3;
 - (iii) one of more bills of sale or general or specific conveyances with respect to the conveyance of the Purchased Assets, in each case executed by the Seller;
 - (iv) to the extent required to be executed by the Seller, an instrument of assumption of liabilities with respect to the Assumed Liabilities;

- (v) actual possession of the Purchased Assets to the Buyer (including the Air Tindi Shares); and
 - (vi) any other documents reasonably requested by the Buyer in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement.
- (b) At the Closing, the Buyer shall deliver to the Seller:
- (i) evidence of the satisfaction of the Purchase Price as provided for in Section 3.1, in form and substance satisfactory to the Seller, acting reasonably;
 - (ii) a document specifying the Purchase Price allocation for tax purposes, as provided for in Section 3.2;
 - (iii) a document specifying the allocation of the Purchase Price (other than the Assumed Liabilities component described in Section 3.1(iii)) between the Clairvest Convertible Debentures Indebtedness Assumption Amount and the Clairvest DIP Indebtedness Assumption Amount, as provided for in Section 3.3;
 - (iv) to the extent required to be executed by the Buyer, one or more bills of sale or general or specific conveyances with respect to the conveyance of the Purchased Assets;
 - (v) an instrument of assumption of liabilities with respect to liabilities and obligations under the DIP Credit Agreement equal to the Clairvest DIP Indebtedness Assumption Amount;
 - (vi) an instrument of assumption of liabilities with respect to liabilities and obligations under the Clairvest Convertible Debentures equal to the Clairvest Convertible Debentures Indebtedness Assumption Amount;
 - (vii) an instrument of assumption of liabilities with respect to, and/or an instrument providing for the satisfaction of, the Assumed Liabilities (less each of the Clairvest DIP Indebtedness Assumption Amount and the Clairvest Convertible Debentures Indebtedness Assumption Amount);
 - (viii) evidence of payment of Transfer Taxes required by Applicable Law to be collected by the Seller, or, alternatively, if applicable, the election(s) referred to in Section 7.4, executed by the Buyer;
 - (ix) the documents required to be delivered by the Buyer pursuant to Section 6.3; and

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- (x) any other documents reasonably requested by the Seller in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement.

10.3 Monitor's Certificate

The Parties hereby acknowledge and agree that the Monitor will be entitled to file the Monitor's Certificate with the Court without independent investigation upon receiving written confirmation from the Seller and the Buyer that: (i) all conditions to Closing set forth in Article 6 have been satisfied or waived, and (ii) the Buyer has paid or satisfied, and the Seller has received or received the benefit of, the Purchase Price, and the Monitor will have no liability to the Seller or the Buyer or any other Person as a result of filing the Monitor's Certificate or otherwise in connection with this Agreement or the transactions contemplated hereunder (whether based on contract, tort or any other theory).

ARTICLE 11 GENERAL MATTERS

11.1 Confidentiality

- (a) Except to the extent otherwise specifically provided in this Section 11.1, each Party, on behalf of itself and its affiliates, agrees to keep the other Party's Confidential Information confidential and not to use the other Party's Confidential Information in any manner except as required to perform the obligations set out in this Agreement. Each Party agrees to be responsible for any breach of this Section 11.1 by any of its affiliates and its and their respective directors, employees, advisors, agents and representatives.
- (b) Notwithstanding anything to the contrary herein, each Party maintains the right to disclose the other Party's Confidential Information if required to do so by Applicable Laws or requirement of a Governmental Authority, or to appropriate Tax authorities in order to describe the tax treatment and tax structure of the Transaction; provided that the disclosure of such Confidential Information will be limited only to that purpose and provided further that it will use reasonable efforts to cooperate with the other Party in limiting the disclosure of the Confidential Information.
- (c) At the other Party's request, a Party will destroy all of the other Party's Confidential Information, provided that it is permitted to retain one copy of any Confidential Information to the extent required by Applicable Laws or its internal record keeping policies.
- (d) Any Confidential Information of the Seller that constitutes part of the Purchased Assets will cease to be Confidential Information of the Seller and will become Confidential Information of the Buyer on Closing.

11.2 Public Notices

No press release or other announcement concerning the Transaction shall be made by the Seller or by the Buyer without the prior consent of the other (such consent not to be unreasonably withheld); provided, however, that subject to the last sentence of this Section 11.2, any Party may, without such consent, make such disclosure if the same is required by Applicable Law (including the CCAA Proceedings) or by any insolvency or other court or securities commission or other similar regulatory authority having jurisdiction over such Party or any of its affiliates, and, if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure. Notwithstanding the foregoing: (i) this Agreement may be filed by the Seller with the Court; (ii) the Transaction may be disclosed by the Seller to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Laws; and (iii) the Seller may communicate freely with the Monitor as and to the extent required in connection with the CCAA Proceedings, the Sale Procedure and the Court Orders. The Parties further agree that:

- (a) the Seller may prepare and file reports and other documents with the Court containing references to the Transaction and the terms thereof, including for the purpose of obtaining the Court Orders; and
- (b) the Seller and their professional advisors may prepare and file such reports and other documents in the CCAA Proceedings containing references to the Transaction and the terms thereof as may reasonably be necessary to complete the Transaction or to comply with their obligations in connection therewith. Wherever possible, the Buyer shall be afforded an opportunity to review and comment on such materials prior to their filing.

Each of the Parties may issue a press release announcing the execution and delivery of this Agreement, in form and substance mutually agreed to by all of the Parties.

11.3 Survival

The representations and warranties of the Seller in this Agreement or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transaction are set forth solely for the purpose of Section 6.2 and none of them shall survive Closing. The Seller shall have no liability, whether before or after the Closing, for any breach of the Seller's representations, and the Buyer acknowledges that its exclusive remedy for any such breach shall be termination of this Agreement prior to the Closing (but only if permitted by Section 9.1).

11.4 Non-Recourse

No past, present or future director, officer, employee, incorporator, member, partner, stockholder, affiliate, agent, attorney or representative of the respective Parties hereto, in such capacity, shall have any liability for any obligations or liabilities of the Buyer or the Seller, as applicable, under this Agreement or for any claim based on, in respect of, or by reason of, the Transaction.

11.5 Assignment; Binding Effect

No Party may assign its right or benefits under this Agreement without the consent of the other Party hereto, except that without such consent the Buyer may: (i) assign any or all of its rights and obligations hereunder to one or more of its subsidiaries or affiliates; or (ii) direct that title to all or some of the Purchased Assets be transferred to one or more of its subsidiaries or affiliates, provided that no such assignment or direction shall relieve the Buyer of its obligations hereunder; provided further that if the Buyer shall have assigned all of its rights and obligations hereunder the Buyer shall, immediately following the Closing, be deemed fully released from all of the Buyer's obligations hereunder. References to the Buyer's residency for Tax purposes and to the Buyer's status under the Investment Canada Act are references to the ultimate Buyer. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third Person beneficiary rights in any Person or entity not a Party to this Agreement other than the third party beneficiaries of Section 11.4 hereof.

11.6 Notices

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (i) the date of personal delivery; (ii) the date of transmission by email, with confirmed transmission and receipt (if sent during normal business hours of the recipient, if not, then on the next Business Day); (iii) two days after deposit with a nationally-recognized courier or overnight service such as Federal Express; or (iv) five days after mailing via certified mail, return receipt requested. All notices not delivered personally or by facsimile will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

(a) If to the Buyer at:

c/o Clairvest Group Inc.
22 St. Clair Avenue East
Suite 1700
Toronto, Ontario M4T 2S3

Attention: James H. Miller, General Counsel and Corporate Secretary
Email: jmiller@clairvest.com

with copies (which shall not in itself constitute notice) to:

Torys LLP
TD Centre
79 Wellington Street West, 30th Floor
Toronto, Ontario M5K 1N2

Attention: David Bish / Adam Slavens
Email: dbish@torys.com / aslavens@torys.com

(b) If to the Seller at:

Discovery Air Inc.
170 Attwell Drive, Suite 370
Toronto, Ontario M9W 5Z5

Attention: David Kleiman
Email: david.kleiman@discoveryair.com

with copies (which shall not in itself constitute notice) to:

Goldman Sloan Nash & Haber LLP
480 University Ave Suite 1600
Toronto, Ontario M5G 1V2

Attention: Mario Forte / Michael Rotsztain
Email: forte@gsnh.com / rotsztain@gsnh.com

and to:

KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

Attention: Bobby Kofman / David Sieradzki
Email: bkofman@ksvadvisory.com / dsieradzki@ksvadvisory.com

with copies (which shall not in itself constitute notice) to:

Goodmans LLP
Bay Adelaide Centre – West Tower
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Attention: L. Joseph Latham
Email: jlatham@goodmans.ca


Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

11.7 Counterparts; Facsimile Signatures

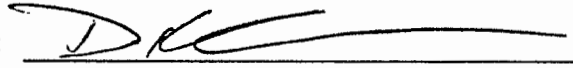
This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Agreement by any of the Parties hereto may be evidenced by facsimile, scanned e-mail or internet transmission copy of this Agreement bearing such signature which, for all purposes, shall be deemed to be an original signature.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

DISCOVERY AIR INC.

By: 

Name:
Title:

By: 

Name:
Title:

10671541 CANADA INC.

By: _____

Name:
Title:

By: _____

Name:
Title:

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

DISCOVERY AIR INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

10671541 CANADA INC.

By: _____
Name: Daniel Cheng
Title: Chief Financial Officer

By: _____
Name: JAMES MILLER
Title: CORPORATE SECRETARY

Schedule 1.1(g)
Form of Approval and Vesting Order

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)
JUSTICE) DAY OF , 2018

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**APPROVAL AND VESTING ORDER
(Air Tindi)**

THIS MOTION, made by Discovery Air Inc. (the "Applicant") for an order approving the sale transaction (the "Transaction") contemplated by an asset purchase agreement (the "Sale Agreement") between the Applicant and 10671541 Canada Inc. (the "Purchaser") dated ■, 2018, and appended to ■, and vesting in the Purchaser the Applicant's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING ■, filed, and on hearing the submissions of counsel for the Applicant, KSV Kofman Inc., in its capacity as the monitor of the Applicant (the "Monitor"), and the Purchaser, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ■ sworn ■, 2018, filed:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Applicant is hereby authorized and approved, with such minor amendments as the Applicant and the Purchaser, with the consent of the Monitor, may agree upon pursuant to the Sale Agreement. The Applicant, with the consent of the Monitor, is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Monitor's Certificate"), all of the Applicant's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ■ dated ■, 2018 (the "Initial Order"); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal or movable property registry system in any provinces or territories in Canada, including, without limitation, under the Civil Code of Quebec; and (iii) any Excluded Liabilities (as defined in the Sale Agreement) (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "B" or the Assumed Liabilities (as defined in the Sale Agreement)). This Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that all counterparties to any Contract (as defined in the Sale Agreement) to which Air Tindi Ltd. is a party or beneficiary, are prohibited from exercising any

right or remedy under such Contract, including, without limitation, any rights of termination, that arise as a result of, or otherwise relate to, the Transaction, the insolvency of the Applicant, the commencement of the Applicant's proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") or any relief granted in such proceedings (including, without limitation, the extension of a limited stay of proceedings to the Non-Applicant Subsidiaries (as defined in the Initial Order).

5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

7. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicant is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Applicant's records pertaining to the Applicant's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Applicant.

8. THIS COURT ORDERS that, notwithstanding:

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

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

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Schedule "A" - Form of Monitor's Certificate

Court File No.: _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**MONITOR'S CERTIFICATE
(Air Tindi)**

RECITALS

A. Pursuant to an Order of the Honourable ■ of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated ■, 2018, KSV Kofman Inc. was appointed as the monitor (the "Monitor") of Discovery Air Inc. (the "Applicant").

B. Pursuant to an Order of the Court dated ■, 2018, the Court approved the agreement of purchase and sale made as of ■, 2018 (the "Sale Agreement") between the Applicant and 10671541 Canada Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Applicant's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 6 of the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Applicant has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 6 of the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

**KSV KOFMAN INC., in its capacity as
Monitor of Discovery Air Inc., and not in its
personal capacity**

Per: _____
Name:
Title:

Schedule "B" – Permitted Encumbrances

Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

1. Encumbrances imposed by Applicable Law that rank in priority as at the Closing Date to the Encumbrances created by or resulting from the Clairvest Security Documents, including, but not limited to: (i) any applicable Encumbrances in favour of mechanics, labourers, workmen, builders, contractors, suppliers of goods or services, or other similar Encumbrances incidental to construction, maintenance or repair operations; and (ii) any applicable purchase money security interests under applicable personal property security legislation.
2. Other than for any restrictions in respect of the Transaction, any transfer restrictions on the TA Holdings Shares or the TA Shares.

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Schedule 1.1(aaa)

Sale Procedure Order

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Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEEKDAY, THE #
)
JUSTICE) DAY OF MONTH, 2018
)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

SSP APPROVAL ORDER

THIS MOTION, made by Discovery Air Inc. (the “**Applicant**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an order, *inter alia*, approving a sale and solicitation process and certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicant, the affidavit of ■ sworn ■, 2018, and the Exhibits thereto (the “**■ Affidavit**”), the First Report of KSV Kofman Inc., in its capacity as Monitor (the “**Monitor**”) dated ■, 2018, filed, and on hearing the submissions of counsel for the Applicant, the Monitor and [**Clairvest Group Inc.**], no one else appearing although duly served as appears from the Affidavit of Service of ■ sworn ■, 2018, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them under the sale and solicitation process attached hereto as Schedule “■” (the “SSP”).

APPROVAL OF STALKING HORSE AGREEMENTS

3. **THIS COURT ORDERS** that the execution, delivery, entry into, compliance with, and performance by the Applicant of each of the Top Aces Stalking Horse Agreement, GSH Stalking Horse Agreement, ATL Stalking Horse Agreement and DMS Stalking Horse Agreement (each, as defined in the ■ Affidavit, and, collectively the “**Stalking Horse Agreements**”), be and is hereby ratified, authorized and approved, *provided, however*, that nothing contained in this Order approves the sale or the vesting of any property, assets or undertaking of the Applicant to either of the Stalking Horse Bidders pursuant to any of the Stalking Horse Agreements and that, if any or all of the Stalking Horse Agreements are the Accepted Bid under the SSP, the approval of the sale and vesting of the assets contemplated to be sold thereunder to the applicable Stalking Horse Bidder shall be considered by this Court on a subsequent motion or motions made to this Court following completion of the SSP, all in accordance with the terms of the SSP.

4. **THIS COURT ORDERS** that the Stalking Horse Agreements be and are hereby approved and accepted solely for the purposes of constituting stalking horse bids under the SSP.

5. **THIS COURT DECLARES** that the Stalking Horse Bidders are parties to these proceedings.

6. **THIS COURT ORDERS** that the Stalking Horse Agreements shall not be rendered invalid or unenforceable and the rights and remedies of the Stalking Horse Bidders thereunder shall not otherwise be limited or impaired in any way by: (a) the Applicant’s CCAA proceedings and the declarations of insolvency made in connection therewith; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”),

or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of security interests, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the execution, delivery or performance of the Stalking Horse Agreements shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party; and
- (b) the Stalking Horse Bidders shall not have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the Stalking Horse Agreements.

APPROVAL OF SSP

7. **THIS COURT ORDERS** that the SSP (subject to such non-material amendments as may be agreed to by the Monitor and the Stalking Horse Bidders (including all schedules thereto)) be and is hereby approved and the Monitor, the Applicant and the Non-Applicant Subsidiaries (as defined in the Initial Order) are hereby authorized and directed to take such steps as they deem necessary or advisable (subject to the terms of the SSP) to carry out the SSP, subject to prior approval of this Court being obtained before completion of any transaction(s) under the SSP.

8. **THIS COURT ORDERS** that the Monitor, the Applicant, the Non-Applicant Subsidiaries and their respective affiliates, partners, directors, employees, advisors, 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 their duties under the SSP, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or wilful misconduct of the Monitor, the Applicant, or the Non-Applicant Subsidiaries, as applicable, as determined by the Court.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Monitor, the Applicant and the Non-Applicant Subsidiaries (under the direction of the Monitor) are hereby authorized and permitted to disclose and transfer to each potential bidder (the “**Bidders**”) (including, without limitation, the Stalking Horse Bidders) and to their Representatives, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Companies’ records pertaining to the Companies’ past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale of the shares and assets contemplated by the Stalking Horse Agreements (a “**Sale**”). Each Bidder or Representative to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Sale, and if it does not complete a Sale, shall return all such information to the Monitor, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Monitor. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the Accepted Bid(s), shall be entitled to use the personal information provided to it that is related to the Property acquired pursuant to the SSP in a manner that is in all material respects identical to the prior use of such information by the relevant Company or Companies, and shall return all other personal information to the Monitor, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Monitor.

GENERAL

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or any other jurisdiction, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

11. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

12. **THIS COURT ORDERS** that at any time during the SSP, the Monitor, the Applicant or any Stalking Horse Bidder may apply to the Court for directions with respect to the SSP.

SCHEDULE "A"

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SALE SOLICITATION PROCESS

Introduction

On March [21], 2018, Discovery Air Inc. (the "**Debtor**") commenced a proceeding (the "**CCAA Proceeding**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") before the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Pursuant to the initial order issued by the Court in the CCAA Proceeding (the "**Initial Order**"), KSV Kofman Inc. was appointed as monitor (the "**Monitor**") in the CCAA Proceeding.

The following Schedules are incorporated into this SSP: (a) Schedule "A" – References and Definitions; (b) Schedule "B" – Form of Acknowledgment of Sale Solicitation Process; (c) Schedule "C" – Addresses for Notice; and (d) Schedule "D" – Auction Procedures.

On ■, 2018, the Debtor brought a motion (the "**SSP Motion**") before the Court, for, among other things, an order (the "**SSP Order**") approving:

- (a) the Top Aces Stalking Horse Agreement pursuant to which the Top Aces Stalking Horse Bidder has agreed to: (i) purchase: (A) the Holdco Shares; (B) certain assets owned by the Debtor and used in the Top Aces business and/or shared between the Top Aces business and the businesses of GSH, ATL and DMS (together with the Holdco Shares, the ("**Top Aces Property**")); and (C) intercompany debt owing by Top Aces to the Debtor, if any and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness, if any;
- (b) the following Stalking Horse Agreements between the Debtor and the Northern Stalking Horse Bidder:
 - (i) the GSH Stalking Horse Agreement pursuant to which the Northern Stalking Horse Bidder has agreed to: (i) purchase: (A) the GSH Shares; (B) certain assets owned by the Debtor and used in the GSH business as more particularly described in the GSH Stalking Horse Agreement (together with the GSH Shares, the "**GSH Property**") (C) certain intercompany debt owing by GSH to the Debtor (the "**GSH Intercompany Debt**"); and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness of the Debtor;
 - (ii) the ATL Stalking Horse Agreement pursuant to which the Northern Stalking Horse Bidder has agreed to: (i) purchase: (A) the ATL Shares; (B) certain assets owned by the Debtor and used in the ATL business as more particularly described in the ATL Stalking Horse Agreement (together with the ATL Shares, the "**ATL Property**") (the "**ATL Intercompany Debt**"); and (C) certain intercompany debt owing by ATL to the Debtor; and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness owing by the Debtor;
 - (iii) the DMS Stalking Horse Agreement pursuant to which the Northern Stalking Horse Bidder has agreed to: (i) purchase: (A) the DMS Shares;

(B) certain assets owned by the Debtor and used in the DMS business as more particularly described in the DMS Stalking Horse Agreement (together with the DMS Shares, the “DMS Property”); and (C) certain intercompany debt owing by DMS to the Debtor, if any; and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness owing by the Debtor; and

(c) this SSP.

On ■, 2018, the Court granted the SSP Order. The Monitor will conduct the SSP in accordance with the SSP Order.

Under the SSP, all qualified interested parties will be provided with an opportunity to participate in the SSP on the terms set out herein.

Commencement of the SSP and Identifying Bidders

1. The purpose of the SSP is to conduct certain processes to provide interested parties with opportunities to submit competing offers on an “as is, where is” basis to purchase: (a) the Top Aces Property; (b) the GSH Property, the GSH Intercompany Debt or all or substantially all of the assets of GSH; (c) the ATL Property, the ATL Intercompany Debt or all or substantially all of the assets of ATL; and (d) the DMS Property or all or substantially all of the assets of DMS (each, an “Opportunity”). The SSP shall apply to each of the Opportunities and the related processes and transactions, including without limitation, the Top Aces Transaction, GSH Transaction, ATL Transaction and DMS Transaction.
2. Any sales pursuant to this SSP will be without surviving representations or warranties of any kind, nature, or description by the Monitor, the Companies or any of their respective directors, officers, agents, advisors or other representatives unless otherwise agreed in a definitive agreement.
3. All of the Debtor’s right, title and interest in and to any of the Property or other assets to be sold pursuant to any Transactions will be sold free and clear of the pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon as set out in the Court order approving such sale unless specifically permitted to continue pursuant to the terms of the Accepted Bid.

Timeline

4. The following table sets out the key milestones and deadlines under the SSP:

Milestone	Deadline (Top Aces SSP)	Deadline (GSH SSP)	Deadline (ATL SSP)	Deadline (DMS SSP)
Commencement SSP	April 4, 2018	April 4, 2018	April 4, 2018	April 4, 2018
Bid Deadline	May 21, 2018	June 4, 2018	June 4, 2018	June 4, 2018

Auction	May 31, 2018	June 14, 2018	June 14, 2018	June 14, 2018
Closing Date Deadline	July 31, 2018	July 31, 2018	July 31, 2018	July 31, 2018

Solicitation of Interest: Notice of the SSP

5. The Debtor will issue a press release providing notice of the SSP and any such other relevant information as the Debtor and Monitor consider appropriate (a “**Notice**”) with Canada Newswire for designated dissemination in Canada and major financial centres in the United States.
6. The Monitor shall be entitled, but not obligated, to arrange for a Notice to be published in *The Globe and Mail* (National Edition), and any other newspaper or industry journals as the Monitor considers appropriate, if any, if it believes that such advertisement would be useful in the circumstances.
7. The Monitor has prepared:
 - (a) a list of potential financial bidders who may be interested in a Top Aces Transaction and a list of potential financial and strategic bidders who may be interested in any or all of the Northern Transactions (collectively, “**Potential Bidders**”);
 - (b) Teaser Letters describing the Opportunities, outlining the processes under the Top Aces SSP and Northern SSP, respectively, and inviting recipients of the Teaser Letters to express their interest pursuant to the applicable SSP or SSPs;
 - (c) a form of NDA; and
 - (d) two CIMs describing the Opportunities, which will be made available by the Monitor to Bidders (as defined below).
8. The Monitor has established Data Rooms in respect of the various SSPs which Data Rooms may continue to be updated from time to time during the SSP process.
9. The Monitor may consult with, or seek the assistance or cooperation of, the Companies with respect to the activities described in paragraphs 6, 6 and 8 above.
10. The Monitor will send the applicable Teaser Letter(s) and applicable form or forms of NDA to all applicable Potential Bidders as soon as reasonably practicable after the granting of the SSP Order and to any other party who requests a copy of a Teaser Letter and NDA or who is identified by the Debtor or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Delivery of CIMs

11. Any party who wishes to participate in one or more of the SSPs (an “**Interested Party**”) including any Potential Bidder, must provide to the Monitor:

- (a) a NDA executed by it, and a letter setting forth the identity of the Interested Party, the contact information for such Interested Party and full disclosure of the direct and indirect principals of the Interested Party;
 - (b) an acknowledgment of the applicable SSP or SSPs in which the Interested Party wishes to participate, in the form attached hereto as Schedule "B"; and
 - (c) such form of financial disclosure and credit quality support or enhancement that allows the Monitor to make a reasonable determination as to the Interested Party's financial and other capabilities to consummate a Sale Proposal.
12. If it is determined by the Monitor, in its reasonable business judgment, that an Interested Party: (i) has delivered the documents contemplated in paragraph 11 above; and (ii) has the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale pursuant to the SSP or SSPs in which the Interested Party is interested, then such Interested Party will be deemed to be a "**Bidder**". For greater certainty, the Monitor may, in its reasonable business judgment, determine that an Interested Party may be deemed a Bidder in one SSP but not another.
13. The Monitor will provide each Bidder with a copy of the applicable CIM(s) and access to any corresponding Data Rooms. Bidders and Qualified Bidders (as defined in paragraph 24 below) must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in any of the SSPs and any transaction they enter into with the Debtor. The Companies, the Monitor and their respective directors, officers, agents and advisors make no representation or warranty as to the information (i) contained in any of the CIMs or the Data Rooms; (ii) provided through the due diligence process or otherwise made available pursuant to any of the SSPs; or (iii) otherwise made available to a Potential Bidder, Interested Party, Bidder or Qualified Bidder, except to the extent expressly contemplated in any definitive sale with the Successful Bidder (as defined below) duly executed and delivered by the Debtor and approved by the Court.
14. At any time during the SSP, the Monitor may, in its reasonable business judgment, eliminate a Bidder from any of the SSPs, in which case such party will no longer be a Bidder for the purposes of such SSP, provided however, this provision does not apply to either of the Stalking Horse Bidders. For greater certainty, the Monitor may, in its reasonable business judgment, eliminate a Bidder participating in multiple SSPs from one but not other SSPs.
15. None of the Companies nor any of its affiliates, shall meet or communicate with a Potential Bidder, Interested Party, Bidder or Qualified Bidder, including the Stalking Horse Bidders, in respect of the Stalking Horse Bids, regarding any Transaction or Opportunity without (a) informing the Monitor and (b) allowing the Monitor the right and opportunity to participate in such meeting, management presentation or communication. In the event a disagreement arises between the Debtor and the Monitor with respect to any matters related directly or indirectly to this SSP, the Monitor, unless otherwise ordered by the Court, shall have the sole authority to make a final decision with respect to such matters.

16. Representatives of the Debtor shall not communicate the identities of any Interested Parties or information in respect of any bids or transaction documents to representatives of either of the Stalking Horse Bidders, whether in that capacity or any other capacity unless and until the identity of the Qualified Bidders are exchanged with all other Qualified Bidders at Auction. For greater certainty, the foregoing provision is not intended to prevent or restrict the Companies from meeting or communicating with either of the Stalking Horse Bidders or any party related thereto regarding matters that do not relate to the SSP.
17. The Monitor, with the Debtor's assistance, shall afford each Bidder such access to applicable due diligence materials and information pertaining to the applicable SSP or SSPs as the Monitor deems appropriate in its reasonable business judgment. Due diligence access may include management presentations, access to the Data Room(s), on-site inspections, and other matters which a Bidder may reasonably request and which the Monitor deems appropriate. The Monitor will designate one or more representatives to coordinate all reasonable requests for additional information and due diligence access from each Bidder and the manner in which such requests must be communicated. Neither the Debtor nor the Monitor will be obligated to furnish any information relating to the Property to any person other than to Bidders. For the avoidance of doubt, selected due diligence materials may be withheld from certain Bidders if the Monitor determines such information to represent proprietary or sensitive competitive information.

Formal Offers and Determination of Qualified Bids

18. Bidders will be able to refer to template Purchase Agreements (which will be based on the Stalking Horse Agreements) placed in the Data Rooms.
19. Bidders that wish to make a formal offer within one or more of the SSPs (a "**Sale Proposal**") must submit offers to the Monitor so as to be received by the Monitor not later than 5:00 PM (Toronto Time) on **[June 4]**, 2018, (the "**Bid Deadline**"). All offers in respect of the applicable Property must be in the form of a duly authorized and executed Purchase Agreement with any changes disclosed in a comparison against the template Purchase Agreement, if applicable, (a "**Final Bid**") at each of the addresses specified in Schedule "C" hereto and may be submitted by email and/or hard copy delivery. Bidders who wish to submit a Sale Proposal for the assets of any or all of GSH, ATL and/or DMS may submit any such Sale Proposal in a separate form of asset purchase agreement reflecting terms consistent with an insolvency transaction, including without surviving representations and warranties. For greater certainty, Bidders must submit a separate Purchase Agreement or asset purchase agreement for each SSP in which the Bidder is making a Sale Proposal.
20. The Monitor, in consultation with the Debtor, may modify the Bid Deadline with respect to some or all of the SSPs. Any such modification shall be communicated to all Bidders for the applicable SSP in writing and posted on the Monitor's Website.
21. In order to be considered a Final Bid, a Sale Proposal shall include the following terms (collectively, the "**Final Bid Criteria**"):

- (a) Subject to subsection (b) below, that the bid is binding and irrevocable until the earlier of (i) 30 days after the Bid Deadline and (ii) approval by the Court of the Accepted Bid (the “**Bid Termination Date**”);
- (b) include an acknowledgement that if such Final Bid is selected by the Monitor as the Backup Bid at the Auction, such Final Bid shall remain binding, irrevocable and open for acceptance by the Debtor until the closing of the transaction with the Successful Bidder;
- (c) include a refundable cash deposit in the form of a wire transfer (to a bank account specified by the Monitor) or such other form of deposit as is acceptable to the Monitor, payable to the Monitor, in trust, in an amount equal to 15% (the “**Deposit**”) of the purchase price contemplated by the Bidder’s Final Bid;
- (d) provide contact information (including an email address) for the Bidder and disclose the identity of each entity (including its ultimate shareholders and/or sponsors) that will be bidding for the Property or otherwise participating in a Final Bid and the complete terms of any such participation;
- (e) include written evidence of a firm, irrevocable commitment for financing or other evidence of an ability to consummate the proposed transaction or transactions comprising the Final Bid, that will allow the Monitor to make a determination as to the Bidder’s financial and other capabilities to consummate the proposed transaction;
- (f) include acknowledgments and representations of the Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property, the Debtor or otherwise prior to making its bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of the Property (including, without limitation, any documents in connection therewith) in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Property or the Debtor or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Debtor and approved by the Court;
- (g) include written evidence, in form and substance reasonably satisfactory to 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;
- (h) provides value to the creditors and other stakeholders of the Debtor (having regard to the relative priority of creditor claims) that is equal to or greater than the value of the applicable Stalking Horse Agreement;
- (i) details of any liabilities to be assumed by the Bidder;
- (j) not be subject to further due diligence;

- (k) not be subject to financing;
 - (l) include a description of any regulatory or other third-party approvals required for the Bidder to consummate the sale transaction, and the time period within which the Bidder expects to receive such regulatory and/or third-party approvals, and those actions the Bidder will take to ensure receipt of such approvals as promptly as possible;
 - (m) include a description of any desired arrangements with respect to transition services that may be required from any of the Companies in connection with the sale transaction;
 - (n) not be subject to any conditions precedent except those that are customary in a transaction of this nature;
 - (o) not be conditional upon approval by the Court of any bid protection, such as a break-up fee, termination fee, expense reimbursement or similar type of payment;
 - (p) be received by the Bid Deadline; and
 - (q) contemplate closing the transaction set out therein on or before **[July 31]**, 2018 (the **“Closing Date Deadline”**).
22. Following the Bid Deadline, the Monitor will determine if each Sale Proposal delivered to the Monitor meets the Final Bid Criteria, provided that each Sale Proposal may be negotiated among the Monitor and the applicable Bidder and may be amended, modified or varied to improve such Sale Proposal as a result of such negotiations. The Monitor shall be under no obligation to negotiate identical terms with, or extend identical terms to, each Bidder.
23. On notice to parties in the CCAA Proceeding, the Monitor may seek Court approval of an amendment to the SSP or any one of them that it considers material. For greater certainty, the extension of any deadline by up to two weeks shall not be considered material.
24. If a Sale Proposal meets the Final Bid Criteria, such Final Bid will be deemed to be a **“Qualified Bid”** and the Bidder in respect of each such Qualified Bid shall be a **“Qualified Bidder”** in respect of the applicable SSP. The Monitor may waive strict compliance with any one or more of the Final Bid Criteria and deem such non-compliant Sale Proposal to be a Qualified Bid, provided that doing so shall not constitute a waiver by the Monitor of the Final Bid Criteria or an obligation on the part of the Monitor to designate any other Sale Proposal as a Qualified Bid.

Selection of Successful Bidders

25. On or before June 11, 2018, or at such later time as the Monitor may deem appropriate, the Monitor will advise each Bidder if its Sale Proposal is a Qualified Bid (the **“Notification Date”**) with respect to the applicable SSP.

26. If one or more Qualified Bids for a particular SSP is received by the Bid Deadline (as such deadline may be extended by the Monitor as set out herein), all Qualified Bidders for such SSP shall proceed to an Auction with the applicable Stalking Horse Bidder, to be held on June 14, 2018, which shall proceed according to the Auction Procedures to identify the Successful Bidder. For greater certainty, each Stalking Horse Bidder is, and is deemed to be, a Qualified Bidder in respect of the applicable SSP and each Stalking Horse Agreement is, and is deemed to be, a Qualified Bid for all purposes in connection with the applicable SSP. The Monitor, in consultation with the Debtor, may postpone or delay the commencement of an Auction with respect to either or both of the SSPs. Any such postponement or delay shall be posted at the Auction Location, communicated to all applicable Qualified Bidders for the applicable SSP in writing and posted on the Monitor's Website.
27. If no Qualified Bid for a SSP other than the Stalking Horse Purchase Agreement is received by the Bid Deadline (as the same may be extended by the Monitor as set out herein), an Auction for such SSP will not be held and that Stalking Horse Bidder will be declared to be the Successful Bidder with respect to the applicable Transaction. The "Accepted Bid" for a SSP will be either (i) the applicable Stalking Horse Bid if no Qualified Bid for such SSP is received by the Bid Deadline or so designated by the Monitor; or (ii) in the event of an Auction, the highest and best bid as determined by the Monitor at the Auction. The party that submitted the Accepted Bid for a SSP is referred to herein as the "Successful Bidder" with respect to such SSP.
28. If, upon the conclusion of an Auction, the Stalking Horse Bidder is not the Successful Bidder, the Successful Bidder's transaction shall be considered to be a superior transaction (a "Superior Transaction").
29. Within seven (7) Business Days of the selection of an Accepted Bid for a Transaction (or as soon as reasonably possible thereafter), the Debtor shall file an Approval Motion. All of the Qualified Bids for that Transaction and SSP other than the applicable Accepted Bid, the Backup Bid and the Stalking Horse Bid, shall be deemed rejected by the Monitor on and as of the date of approval of the applicable Accepted Bid by the Court.
30. All Deposits will be retained by the Monitor in trust. The Monitor shall deposit all Deposits with interest bearing accounts. Any Deposit held by the Monitor with respect to the Accepted Bid (plus accrued interest, if any) will be non-refundable (other than as may be provided for in the Purchase Agreement that constitutes the Accepted Bid) and will be applied to the purchase price to be paid by the Successful Bidder upon closing of the transaction under the Accepted Bid. The Deposits (plus applicable interest, if any) of Bidders not selected as Qualified Bidders will be returned to such Bidders within three (3) Business Days of the Notification Date. The Deposits (plus applicable interest, if any) of Qualified Bidders (other than the Backup Bidder) not selected as the Successful Bidder will be returned to such parties within three (3) Business Days of the Bid Termination Date.
31. If the Successful Bidder for any Transaction fails to close the transaction contemplated by the Accepted Bid by the earlier to occur of the applicable Closing Date Deadline and the closing date under the Accepted Bid (or such date that may otherwise be mutually agreed

upon among the Debtor, the Monitor and the Successful Bidder), the Monitor shall be authorized but not required to: (a) direct the Debtor to exercise such rights and remedies as are available to the Debtor under the Accepted Bid including, if applicable, deeming that the Successful Bidder has breached its obligations pursuant to the Accepted Bid and that the Successful Bidder has forfeited its Deposit to the Debtor; (b) designate the Backup Bidder as the Successful Bidder and direct the Debtor to close the transaction under the Backup Bid; or (c) take such other steps as it deems advisable. The Debtor reserves its right to seek all available damages, including specific performance, from any defaulting Successful Bidder (including any Backup Bidder designated as a Successful Bidder).

Confidentiality and Access to Information

32. Each Potential Bidder, Interested Party, Bidder or Qualified Bidder (including the Stalking Horse Bidder) 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, Bidders, Qualified Bidders, Qualified Bids, the details of any bids submitted or the details or existence of any confidential discussions or correspondence among the Debtor, the Monitor and any Bidder in connection with any SSP in which such parties are participating.
33. In addition, the Monitor may consult with any other parties with a material interest in the CCAA Proceeding regarding the status and material information and developments relating to any or all of the SSPs to the extent considered appropriate by the Monitor and taking into account, among other things, whether any particular party is a Bidder, Qualified Bidder, or other participant or prospective participant in one or more of the SSPs; provided that such parties may be required to enter into confidentiality arrangements satisfactory to the Monitor. For greater certainty, Clairvest shall not be entitled to any information regarding the status of the SSP unless such information is provided to all Qualified Bidders in the process.

Supervision of the SSP

34. The Monitor will oversee, in all respects, the conduct of the SSP and, without limitation, the Monitor will participate in the SSP in the manner set out herein and in the SSP Order. All discussions or inquiries to the Debtors regarding the SSP shall be directed to the Monitor. Under no circumstances should representatives of the Companies be contacted directly or indirectly in respect of the SSP, including diligence requests, without the prior written consent of the Monitor. Any such unauthorized contact or communication could result in exclusion from any or all of the SSP processes. For greater certainty, the foregoing provision is not intended to prevent or restrict the Debtor or its affiliates and representatives from meeting or communicating with any Stalking Horse Bidder, in a capacity other than as a Stalking Horse Bidder, or any party related thereto regarding matters that do not relate to the SSP.
35. Other than as specifically set forth in the Stalking Horse Agreements or in a definitive agreement between the Companies and the Successful Bidder under a Superior Transaction, the SSP does not, and will not be interpreted to create any contractual or other

legal relationship among the Debtor, the Monitor, any Potential Bidder, Interested Party, Bidder, Qualified Bidder, the Successful Bidder, or any other party.

36. Subject to the terms of the Initial Order and any entitlement of the Stalking Horse Bidder to a Stalking Horse Expense Reimbursement, participants in the SSP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Final Bid, participation in the SSP, Auction, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

SCHEDULE "A"- REFERENCES AND DEFINITIONS

In this document, unless the context otherwise required, words importing the singular include the plural and vice versa. Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Initial Order. Except where otherwise expressly provided, all dollar reference amounts are to Canadian dollars.

The terms below shall have the following meaning given to them:

- (a) **"Accepted Bid"** has the meaning given to it in paragraph 27;
- (b) **"Air Tindi Transaction"** means the transaction contemplated by the ATL Stalking Horse Agreement or any other transaction under the ATL Stalking Horse Agreement or any improved bid pursuant to the process set out herein;
- (c) **"Approval Motion"** the Debtor's motion or motions to be filed with the Court seeking one or more orders to approve the Accepted Bids;
- (d) **"ATL"** means Air Tindi Ltd.;
- (e) **"ATL Property"** has the meaning given to it in the Introduction;
- (f) **"ATL Shares"** means 1870 issued and outstanding Class A common shares in the capital of ATL, being 100% of the issued and outstanding shares of ATL;
- (g) **"ATL SSP"** the sale and solicitation process to solicit bids for the ATL Property as set out herein;
- (h) **"ATL Stalking Horse Agreement"** means the stalking horse agreement between the Debtor and the Northern Stalking Horse Bidder dated as of ■, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the ATL Property;
- (i) **"Auction"** means an auction conducted pursuant to this SSP pursuant to the Auction Procedures;
- (j) **"Auction Location"** has the meaning given to it in paragraph 1 of the Auction Procedures;
- (k) **"Auction Procedures"** mean the auction procedures set out in Schedule "D" hereto;
- (l) **"Backup Bid"** has the meaning given to it in paragraph 13 of the Auction Procedures;

- (m) “**Backup Bidder**” has the meaning given to it in paragraph 13 of the Auction Procedures;
- (n) “**Bid Deadline**” has the meaning given to it in paragraph 19;
- (o) “**Bid Termination Date**” has the meaning given to it in paragraph 21(a);
- (p) “**Bidder**” has the meaning given to it in paragraph 12;
- (q) “**Business Day**” means any day, other than Saturday or Sunday, on which the principal commercial banks in Toronto are open for commercial banking business during normal banking hours;
- (r) “**CCAA**” has the meaning given to it in the Introduction;
- (s) “**CCAA Proceeding**” has the meaning given to it in the Introduction;
- (t) “**Closing Date Deadline**” has the meaning given to it in paragraph 21(q);
- (u) “**CIM**” means a confidential information memorandum to be prepared by the Monitor in connection with a SSP;
- (v) “**Companies**” means the Debtor, Top Aces, Top Aces Holdco, GSH, ATL and DMS;
- (w) “**Court**” has the meaning given to it in the Introduction;
- (x) “**Credit Bid**” means a bid that provides for all or part of the consideration to be paid to be satisfied by way of a credit bid of secured indebtedness of the Debtor;
- (y) “**Data Rooms**” the electronic data rooms to be established by the Monitor in connection with the SSP;
- (z) “**Deposit**” has the meaning given to it in paragraph 21(c);
- (aa) “**Debtor**” has the meaning given to it in the Introduction;
- (bb) “**Discovery Mining Transaction**” means the transaction contemplated by the DMS Stalking Horse Agreement or any other transaction under the DMS Stalking Horse Agreement or any improved bid pursuant to the process set out herein;
- (cc) “**DMS**” means Discovery Mining Services Ltd.
- (dd) “**DMS Property**” has the meaning given to it in the Introduction;

- (ee) “**DMS Shares**” means 22,883,047 issued and outstanding Class A common shares in the capital of DMS, being 100% of the issued and outstanding shares of DMS;
- (ff) “**DMS SSP**” the sale and solicitation process to solicit bids for the DMS Property as set out herein;
- (gg) “**DMS Stalking Horse Agreement**” means the stalking horse agreement between the Debtor and the Northern Stalking Horse Bidder dated as of ■, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the DMS Property
- (hh) “**Final Bid**” has the meaning given to it in paragraph 19;
- (ii) “**Final Bid Criteria**” has the meaning given to it in paragraph 20;
- (jj) “**Great Slave Transaction**” means the transaction contemplated by the GSH Stalking Horse Agreement or any other transaction under the GSH Stalking Horse Agreement or any improved bid pursuant to the process set out herein;
- (kk) “**GSH**” means Great Slave Helicopters Ltd.;
- (ll) “**GSH Property**” has the meaning given to it in the Introduction;
- (mm) “**GSH Shares**” means (i) 157,891,795 issued and outstanding Class A common shares; (ii) 1,111 issued and outstanding Class D common shares; (iii) 40,000,000 issued and outstanding Class E common shares; (iv) 7,624 issued and outstanding Class F Preferred shares; (v) 11,072 issued and outstanding Class G Preferred shares; and (vi) 14,400 issued and outstanding Class H Preferred shares issued and outstanding common shares in the capital of GSH, being 100% of the issued and outstanding shares of GSH;
- (nn) “**GSH SSP**” the sale and solicitation process to solicit bids for the GSH Property as set out herein;
- (oo) “**GSH Stalking Horse Agreement**” means the stalking horse agreement between the Debtor and the Northern Stalking Horse Bidder dated as of ■, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the GSH Property;
- (pp) “**Holdco Shares**” means 253.83602 issued and outstanding Class A common shares in the capital of Top Aces Holdco being 100% of the shares of Top Aces Holdco owned by the Debtor;
- (qq) “**Initial Order**” has the meaning given to it in the Introduction;
- (rr) “**Interested Party**” has the meaning given to it in paragraph 11;

- (ss) “**Potential Bidders**” has the meaning given to it in paragraph 6;
- (tt) “**Leading Bid**” has the meaning given to it in paragraph 11 of the Auction Procedures;
- (uu) “**Monitor**” has the meaning given to it in the Introduction;
- (vv) “**Monitor’s Website**” means the Monitor’s website at www.ksvadvisory.com/insolvency-cases/discovery-air;
- (ww) “**NDA**” one or more forms of non-disclosure agreement to be used in connection with the solicitation of bids in this SSP;
- (xx) “**Northern SSP**” means collectively the GSH SSP, ATL SSP and DMS SSP;
- (yy) “**Northern Transactions**” means the Great Slave Transaction, Air Tindi Transaction and Discovery Mining Transaction;
- (zz) “**Northern Stalking Horse Bidder**” means 10671541 Canada Inc.;
- (aaa) “**Northern Stalking Horse Agreements**” means the GSH Stalking Horse Agreement, ATL Stalking Horse Agreement and DMS Stalking Horse Agreement;
- (bbb) “**Notice**” has the meaning given to it in paragraph 6;
- (ccc) “**Notification Date**” has the meaning given to it in paragraph 25;
- (ddd) “**Opportunity**” has the meaning given to it in paragraph 1;
- (eee) “**Overbid**” has the meaning given to it in paragraph 9 of the Auction Procedures;
- (fff) “**Property**” means the Top Aces Property, GSH Property, ATL Property and/or the DMS Property as the context may require;
- (ggg) “**Purchase Agreements**” means the template forms of purchase agreements to be placed in the Data Rooms upon which Bidders are to make Sale Proposals;
- (hhh) “**Qualified Bid**” has the meaning given to it in paragraph 24;
- (iii) “**Qualified Bidder**” has the meaning given to it in paragraph 24;
- (jjj) “**Sale Proposal**” has the meaning given to it in paragraph 19;
- (kkk) “**SSP**” means this sale and solicitation process document and the processes set out herein including without limitation the Top Aces SSP, GSH SSP, ATL SSP or DMS SSP or any one of them as the context may require;

- (lll) “**SSP Motion**” has the meaning given to it in the Introduction;
- (mmm) “**SSP Order**” has the meaning given to it in the Introduction;
- (nnn) “**Stalking Horse Agreements**” means the Top Aces Stalking Horse Agreement and the Northern Stalking Horse Agreement;
- (ooo) “**Stalking Horse Bidder**” means the Top Aces Stalking Horse Bidder and the Northern Stalking Horse Bidder;
- (ppp) “**Starting Bid**” has the meaning given to it in paragraph 7 of the Auction Procedures;
- (qqq) “**Subsequent Bid**” has the meaning given to it in paragraph 4 of the Auction Procedures;
- (rrr) “**Successful Bidder**” has the meaning given to it in paragraph 27;
- (sss) “**Superior Transaction**” has the meaning given to it in paragraph 28;
- (ttt) “**Teaser Letter**” means the process summary letters to be prepared by the Monitor in connection with the SSP;
- (uuu) “**Top Aces**” means Top Aces Inc. (formerly known as Discovery Air Defence Services Inc.);
- (vvv) “**Top Aces Holdco**” means Top Aces Holdings Inc.;
- (www) “**Top Aces Property**” has the meaning given to it in the Introduction;
- (xxx) “**Top Aces SSP**” the sale and solicitation process to solicit bids for the Top Aces Property as set out herein;
- (yyy) “**Top Aces Stalking Horse Agreement**” means the stalking horse agreement between the Debtor and the Top Aces Stalking Horse Bidder dated as of ■, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the Top Aces Property;
- (zzz) “**Top Aces Stalking Horse Bidder**” means, collectively, CEP IV Co-Investment Limited Partnership, Clairvest Equity Partners IV Limited Partnership, Clairvest Equity Partnership IV-A Limited Partnership, DA Holdings Limited Partnership and G. John Krediet;
- (aaaa) “**Top Aces Transaction**” means the transaction contemplated by the Top Aces Stalking Horse Agreement or any other transaction under the Top Aces Stalking Horse Agreement or any improved bid pursuant to the process set out herein;

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(bbb) **“Transactions”** means the Top Aces Transaction, Great Slave Transaction, Air Tindi Transaction and/or Discovery Mining Transaction.

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SCHEDULE "B"

Acknowledgement of the Sale and Solicitation Process

TO: Discovery Air Inc.

AND TO: KSV Kofman Inc. in its capacity as monitor in the CCAA proceedings of Discovery Air Inc.

RE: Sale and Solicitation Process in respect of the following Transaction(s) [*check all that apply*]:

- Top Aces Transaction
 - Great Slave Transaction
 - Air Tindi Transaction
 - Discovery Mining Transaction
-

The undersigned hereby acknowledges receipt of the sale and solicitation process approved by the Order of the Honourable Justice ■ of the Ontario Superior Court of Justice (Commercial List) dated ■, 2018 (the "SSP") and that compliance with the terms and provisions of the SSP is required in order to participate in the SSP and for any Final Bid (as defined in the SSP) to be considered by the Monitor.

This ___ day of _____, 2018.

[Insert Interested Party name]

Per:
Email Address:

SCHEDULE "C" – ADDRESSES FOR NOTICES**KSV Kofman Inc.****Court-Appointed Monitor in Discovery Air Inc.'s CCAA proceedings**

150 King Street West

Suite 2308, Box 42

Toronto ON M5H 1J9

Attention: Bobby Kofman & David Sieradzki

Email: bkofman@ksvadvisory.com/ dsieradzki@ksvadvisory.com**-with copies to-****Goldman Sloan Nash & Haber LLP****Lawyers for the Debtor**

1600-480 University Avenue

Toronto, ON M5G 1V2

Attention: Michael Rotsztain and Jennifer Stam

Email: rotsztain@gsnh.com/ stam@gsnh.com**Goodmans LLP****Lawyers for the Monitor**

Bay Adelaide Centre

333 Bay Street, Suite 3400

Toronto ON M5H 2S7

Attention: Joe Latham

Email: jlatham@goodmans.ca

SCHEDULE "D" - AUCTION PROCEDURES

1. The Auctions for each SSP, if any, shall be conducted by the Monitor, commencing on June 14, 2018, at 10:00 a.m. (Toronto time) at the offices of Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, ON, M5H 2S7 or such other location as the Monitor may choose in advance of the commencement of an Auction (the "**Auction Location**"). No later than 24 hours prior to the scheduled date of the Auction, the Monitor shall communicate any change in the Auction Location from the offices of Goodmans LLP to another location to all applicable Qualified Bidders in writing and post notice of such change in location at the offices of Goodmans LLP and on the Monitor's Website.
2. To the extent that the Monitor is to conduct multiple Auctions, it may choose to conduct such Auctions concurrently or consecutively in its discretion. Any delay or postponement of the commencement of an Auction shall be communicated in accordance with paragraph 26 of the SSP.
3. Unless otherwise ordered by the Court or consented to in writing by the Monitor, only the authorized representatives and professional advisors of the Monitor, the Companies, the applicable Stalking Horse Bidder, and each other Qualified Bidder invited to an Auction shall be eligible to attend an Auction and make any Subsequent Bid (as defined below) at an Auction. Administrative personnel, including, without limitation, a court reporter or similar official, will also attend an Auction at the invitation of the Monitor.
4. At an Auction, all applicable Qualified Bidders (including a Stalking Horse Bidder) shall be permitted to increase their Qualified Bids in accordance with the procedures set forth herein (each, a "**Subsequent Bid**"). All Subsequent Bids presented during an Auction shall be made and received in one room on an open basis. All participating Qualified Bidders shall be entitled to be present for all bidding with the understanding that the true identity of each participating Qualified Bidder shall be fully disclosed to all other Qualified Bidders and that all material terms of each Subsequent Bid presented during an Auction will be fully disclosed to the participating Qualified Bidders throughout an entire Auction.
5. All Qualified Bidders must have at least one individual representative with authority to bind such Qualified Bidder present in person at the offices of Goodmans LLP during the Auction(s).
6. All proceedings at an Auction shall be transcribed.
7. At least two (2) days prior to an Auction, the Monitor will advise all Qualified Bidders for the applicable SSP which of the Qualified Bids (including a Stalking Horse Agreement) the Monitor has determined in its reasonable business judgment,

after consultation with its advisors and the Companies, constitutes the then highest or otherwise best Qualified Bid (the “**Starting Bid**”).

8. The Starting Bid will be deemed to be the first bid at the Auction and bidding at the Auction will continue, in one or more rounds of bidding, so long as during each round at least one Subsequent Bid is submitted by a Qualified Bidder that, in the reasonable business judgment of the Monitor improves upon the then Leading Bid and meets the Overbid requirement.
9. The first round of bidding at an Auction in respect of the following processes and transactions shall commence in the following increments:
 - (a) bidding in respect of the Top Aces Transaction shall commence in increments of \$■;
 - (b) bidding in respect of the GSH Transaction shall commence in increments of \$■
 - (c) bidding in respect of the ATL Transaction shall commence in increments of \$■; and
 - (d) bidding in respect of the DMS Transaction shall commence in increments of \$■,

(each, an “**Overbid**”). The Monitor shall be entitled to change the amount of Overbid in subsequent rounds of bidding at the Auction in its discretion.
10. Credit Bids will be permitted at an Auction, provided that the validity of such secured indebtedness has been confirmed by the Monitor prior to commencement of such Auction. Bidding shall continue until such time as the highest or best bid is determined by the Monitor, in its reasonable business judgment, after consultation with its advisors. The Monitor, in its sole discretion, shall have the right to modify the bidding increments at the commencement of any round of the Auction. For the purpose of evaluating the value of the consideration provided by each Subsequent Bid (including any Subsequent Bid by a Stalking Horse Bidder) presented at the Auction, the value will take into account the amount and priority of any Credit Bid and any liabilities to be assumed by a Qualified Bidder.
11. After the first round of bidding and between each subsequent round of bidding, the Monitor shall announce the Subsequent Bid that the Monitor has determined in its reasonable business judgment, after consultation with its advisors, to be the then highest or best bid (the “**Leading Bid**”). A round of bidding will conclude after each participating Qualified Bidder has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.

- 12. If no Qualified Bidder submits a Subsequent Bid (as determined by the Monitor) after a period of 30 minutes following the Monitor's acceptance of a Subsequent Bid as the Leading Bid, and the Monitor chooses not to adjourn an Auction, the Leading Bid shall be the Accepted Bid, whereupon such Auction will be concluded. The Monitor shall have the right, but not the obligation, to extend the time period to submit an offer.

- 13. If an Auction is conducted, the Monitor shall determine, in its reasonable business judgment after consultation with its advisors, the next highest or otherwise best Qualified Bid after the Accepted Bid (the "**Backup Bid**"). The Qualified Bidder which has submitted the Backup Bid will be designated as the "**Backup Bidder**". The Backup Bidder shall be required to keep its last submitted Subsequent Bid, or if it has not made a Subsequent Bid, its Qualified Bid (the "**Backup Bid**") open and irrevocable until the closing of the transaction with the Successful Bidder.

- 14. At or during an Auction, the Monitor, after consultation with its advisors, may employ and announce additional procedural rules that are fair and reasonable under the circumstances (e.g., the amount of time allotted to make Subsequent Bids) for conducting such Auction; provided, however, that such rules are (a) not inconsistent with the SSP or these Auction Procedures, the CCAA, any order of the Court entered in connection with the SSP or Auction Procedures and (b) disclosed to each Qualified Bidder at or during the Auction.

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

Court File No.:

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DISCOVERY AIR
INC. (the "APPLICANT")

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

SSP APPROVAL ORDER

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Fax: 416-597-6477

Mario Forte (LSUC#: 27293F)
Tel: 416.597.6477
Email: forte@gsnh.com

Michael Rotsztain (LSUC#: 17086M)
Tel: 416.597.7870
Email: rotsztain@gsnh.com

Jennifer Stam (LSUC#: #46735J)
Tel: 416.597.5017
Email: stam@gsnh.com

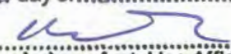
Lawyers for the Applicant

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Schedule 2.1(c)
Assigned Contracts

TAB C

Execution Version

This is Exhibit "C" referred to in the affidavit of Paul Bernards sworn before me at Toronto this 15 day of June, 2018

A Commissioner for taking Affidavits for Ontario

**ASSET PURCHASE AGREEMENT
(GREAT SLAVE HELICOPTER)**

DISCOVERY AIR INC.

as Seller

- and -

10671541 CANADA INC.

as Buyer

March 21, 2018

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of March 21, 2018

B E T W E E N:

DISCOVERY AIR INC., a corporation incorporated under the laws of the Province of Ontario, and continued under the laws of Canada

(the “**Seller**”)

- and -

10671541 CANADA INC., a corporation existing under the laws of Canada

(the “**Buyer**”)

RECITALS:

- A. The Seller, through its subsidiaries, provides specialty aviation services to governments, airlines, and natural resource and other business customers, operating across Canada and in select locations internationally, including the United States, Bolivia, Australia, and Chile (together with any other business in which the Seller is engaged on the date hereof, the “**Business**”).
- B. The Seller legally and beneficially owns, as at the date hereof: (i) 157,891,795 issued and outstanding Class A common shares; (ii) 1,111 issued and outstanding Class D common shares; (iii) 40,000,000 issued and outstanding Class E common shares; (iv) 7,624 issued and outstanding Class F Preferred shares; (v) 11,072 issued and outstanding Class G Preferred shares; and (vi) 14,400 issued and outstanding Class H Preferred shares, in the capital of Great Slave Helicopters Ltd. (“**GSH**”), as well as certain other property, assets and undertaking that are used in connection with the business conducted by GSH (the “**GSH Business**”).
- C. On March 21, 2018, the Seller commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”), and an initial order (the “**Initial CCAA Order**”) was granted by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), pursuant to which, *inter alia*, KSV Kofman Inc. was appointed as the monitor of the Seller (in such capacity, the “**Monitor**”).
- D. As at January 31, 2018, the Seller is indebted to CEP IV Co-Investment Limited Partnership, Clairvest Equity Partners IV Limited Partnership, Clairvest Equity Partners IV-A Limited Partnership, DA Holdings Limited Partnership and G. John Krediet (the “**Clairvest Convertible Debentureholders**”) pursuant to the Clairvest Convertible Debentures (as defined herein) in the aggregate principal amount of \$72,700,000 (such amount, together with all outstanding interest, fees and costs incurred relating thereto, at any given time, the “**Clairvest Secured Indebtedness Amount**”), which indebtedness is secured by the Clairvest Security Documents (as defined herein).

- E. Pursuant to the DIP Credit Agreement (as defined herein), CEP IV Co-Investment Limited Partnership, an affiliate of Clairvest, has agreed to provide a secured super-priority debtor-in-possession non-revolving credit facility of up to \$12,600,000 (the indebtedness thereunder, including outstanding interest, fees and costs incurred relating thereto, at any given time, the “**Clairvest DIP Indebtedness Amount**”).
- F. The Buyer and the Clairvest Convertible Debentureholders are affiliates.
- G. The Seller wishes to sell, and the Buyer wishes to purchase as a “stalking horse bidder” pursuant to the Sale Procedures and the Sales Procedures Order (each, as defined herein), the Purchased Assets (as defined herein), subject to the terms and conditions of this Agreement.
- H. The Seller has determined that it is in the best interests of its stakeholders to enter into this Agreement, subject to the terms and conditions herein, and to consummate the transactions contemplated herein on the terms set forth herein.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Agreement,

- (a) “**affiliate**” of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly through one or more intermediaries, and “control” and any derivation thereof means the control by one Person of another Person in accordance with the following: a Person (“A”) controls another Person (“B”) where A has the power to determine the management and policies of B by contract or status (for example the status of A being the general partner of B) or by virtue of beneficial ownership of a majority of the voting interests in B; and for certainty and without limitation, if A owns shares to which are attached more than 50% of the votes permitted to be cast in the election of directors (or other Persons performing a similar role) of B, then A controls B for this purpose;
- (b) “**Agreement**” means this Asset Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and all attached Schedules and unless otherwise indicated, references to Articles, Sections and Schedules are to Articles, Sections and Schedules in this Agreement;

- (c) “**Applicable Law**” means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, restriction, by-law (zoning or otherwise), order, or any consent, exemption, approval or licence of any Governmental Authority, that applies in whole or in part to the Transaction, the Seller, the Buyer, the Business or any of the Purchased Assets;
- (d) “**Approval and Vesting Order**” means the form of Court order attached as Schedule “1.1(d)” hereto, with any amendments thereto to be acceptable to each of Seller and Buyer, each acting reasonably;
- (e) “**Assigned Contracts**” has the meaning given to such term in Section 2.1(c); and
- (f) “**Assumed Liabilities**” has the meaning given to such term in Section 2.2;
- (g) “**Business**” has the meaning given to such term in Recital A;
- (h) “**Business Day**” means any day, other than a Saturday or Sunday, on which the principal commercial banks in Toronto are open for commercial banking business during normal banking hours;
- (i) “**Buyer**” has the meaning given to such term in the preamble to this Agreement;
- (j) “**CCAA**” has the meaning given to such term in Recital C;
- (k) “**CCAA Proceedings**” has the meaning given to such term in Recital C;
- (l) “**Clairvest Convertible Debentureholders**” has the meaning given to such term in Recital D;
- (m) “**Clairvest Convertible Debentures**” means the convertible debentures issued by the Seller on September 23, 2011, and administered by Clairvest GP;
- (n) “**Clairvest Convertible Debentures Indebtedness Assumption Amount**” means the portion of the Clairvest Secured Indebtedness Amount that is to be assumed by the Buyer in partial satisfaction of the Purchase Price, which amount shall be determined pursuant to Section 3.3;
- (o) “**Clairvest DIP Indebtedness Amount**” has the meaning given to such term in Recital E;
- (p) “**Clairvest DIP Indebtedness Assumption Amount**” means the portion of the Clairvest DIP Indebtedness Amount that is to be assumed by the Buyer in partial satisfaction of the Purchase Price, which amount shall be determined pursuant to Section 3.3;
- (q) “**Clairvest GP**” means Clairvest GP Manageco Inc.;

- (r) **“Clairvest Secured Indebtedness Amount”** has the meaning given to such term in Recital D;
- (s) **“Clairvest Security Documents”** means all documents, contracts and agreements pursuant to which Encumbrances have been created or granted to or for the benefit of the debentureholders under the Clairvest Convertible Debentures and/or Clairvest GP to secure payment and performance of the Seller’s obligations to the debentureholders under the Clairvest Convertible Debentures and/or Clairvest GP (including payment of the Clairvest Secured Indebtedness Amount), including debentures, general security agreements, pledges of equity, and aircraft-specific security, charging all or certain present and after-acquired assets, personal property and undertakings of the Seller;
- (t) **“Closing”** means the completion of the Transaction at the Closing Time;
- (u) **“Closing Date”** means July 31, 2018, or such later date as the Parties may agree in writing, acting reasonably;
- (v) **“Closing Documents”** means all contracts, agreements and instruments required by this Agreement to be delivered at or before the Closing;
- (w) **“Closing Time”** means 10:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place;
- (x) **“Confidential Information”** means non-public, confidential, personal or proprietary information which is furnished to a Party by the other Party, including, without limitation, information about identifiable individuals, any information relating to a Party and its Affiliates or any customer or supplier of a Party; provided that “Confidential Information” does not include information that:
 - (i) is or becomes generally available to the public other than as a result of disclosure in breach of this Agreement;
 - (ii) is received by a Party from a third party that obtained it lawfully and was under no duty of confidentiality;
 - (iii) was lawfully in a Party’s possession prior to disclosure thereof by the other Party; or
 - (iv) was independently developed by a Party without use of, or reference to, the other Party’s Confidential Information;
- (y) **“Contracts”** means contracts, licences, permits, leases, agreements, commitments, entitlements or engagements;
- (z) **“Court”** has the meaning given to such term in Recital C;

- (aa) **“Court Approval”** means the issuance of the Approval and Vesting Order by the Court;
- (bb) **“Court Orders”** has the meaning given to such term in Section 8.1(c);
- (cc) **“DIP Credit Agreement”** means the debtor-in-possession loan term sheet between CEP IV Co-Investment Limited Partnership and the Seller;
- (dd) **“Encumbrance”** means any security interest, lien, prior claim, charge, hypothec, hypothecation, reservation of ownership, pledge, encumbrance, mortgage or adverse claim of any nature or kind;
- (ee) **“Excluded Liabilities”** has the meaning given to such term in Section 2.2;
- (ff) **“Final”** with respect to any order of any court of competent jurisdiction, means that leave to appeal or reconsideration shall not have been sought in respect of such order and that such order shall not have been stayed, appealed, varied (except with the consent of the Buyer and Seller) or vacated, and all time periods within which leave to appeal and reconsideration could at law be sought shall have expired and all time periods within which such order could at law be appealed shall have expired;
- (gg) **“Governmental Authority”** means any domestic or foreign government, regulatory authority, governmental department, agency, ministry, commission, bureau, court (including the Court), tribunal, judicial body, arbitral body, commission, stock exchange, board or other law, rule or regulation-making entity:
 - (i) having jurisdiction over the Seller, the Buyer, the Transaction or the Purchased Assets on behalf of any country, province, state, municipality or other geographical or political subdivision thereof; or
 - (ii) exercising or entitled to exercise any administrative, judicial, legislative, regulatory or Taxing Authority or power;
- (hh) **“Governmental Authorizations”** means the permits, licences, approvals and authorizations, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued to or held or required by the Seller relating to the Business or any of the Purchased Assets by or from any Governmental Authority;
- (ii) **“GSH”** has the meaning given to such term in Recital B;
- (jj) **“GSH Business”** has the meaning given to such term in Recital B;
- (kk) **“GSH Shares”** has the meaning given to such term in Section 2.1(b);
- (ll) **“HST”** means the sales tax payable under the HST Legislation;

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- (mm) “**HST Legislation**” means Part IX of the *Excise Tax Act* (Canada);
- (nn) “**IFRS**” means International Financial Reporting Standards;
- (oo) “**including**” and “**includes**” shall be interpreted on an inclusive basis and shall be deemed to be followed by the words “without limitation”;
- (pp) “**Initial CCAA Order**” has the meaning given to such term in Recital C;
- (qq) “**Material Adverse Change**” or “**Material Adverse Effect**” means any change, development, effect, event, circumstance, fact or occurrence that, individually or in the aggregate with such other changes, developments, effects, events, circumstances, facts or occurrences, is, or would reasonably be expected to be, material and adverse to the business, properties, assets, liabilities (contingent or otherwise), condition (financial or otherwise), operations or results of operations of the Seller, the Business, the GSH Business and/or the Purchased Assets, or that prevents or materially delays or would reasonably be expected to prevent or materially delay the Seller from Closing; other than any change, development, effect, event, circumstance, fact or occurrence arising out of, attributable to or resulting from: (A) any action expressly required or permitted by this Agreement or relating to the Seller’s current financial condition, including the CCAA Proceedings; (B) general political, economic or financial conditions in Canada or elsewhere in the world; (C) any change generally affecting the industries in which the Business and/or the GSH Business is conducted (including changes in prices, costs of materials, labor, or shipping, general market prices, or regulatory changes in any such industry); (D) acts of terrorism or war (whether or not declared); (E) any changes to existing Applicable Law (including the interpretation thereof); (F) any changes to IFRS or the adoption, implementation or proposal of any new accounting principles; (G) hurricanes, earthquakes, storms, floods or other natural disasters, epidemics, pandemics, outbreak or escalation of hostilities, the declaration of war, acts or terrorism, or acts of God; (H) any action consented to by the Buyer; (I) any failure by the Seller to meet any projections or estimates (including internal projections or estimates) of revenues, earnings, working capital or performance for any period or (J) material dispositions or change in financial circumstances from a sale under the Sale Procedures;
- (rr) “**Monitor**” has the meaning given to such term in Recital C;
- (ss) “**Monitor’s Certificate**” means the certificate filed with the Court by the Monitor certifying that the Monitor has received written confirmation, in form and substance satisfactory to the Monitor, from the Seller and the Buyer that: (i) all conditions to Closing set forth in Article 6 have been satisfied or waived; and (ii) the Buyer has paid, and the Seller has received, the Purchase Price;
- (tt) “**Parties**” means the Seller and the Buyer collectively, and “**Party**” means either the Seller or the Buyer, as applicable;

- (uu) **“Permitted Encumbrances”** means, with respect to the Purchased Assets:
 - (i) Encumbrances imposed by Applicable Law that rank in priority as at the Closing Date to the Encumbrances created by or resulting from the Clairvest Security Documents, including, but not limited to: (i) any applicable Encumbrances in favour of mechanics, labourers, workmen, builders, contractors, suppliers of goods or services, or other similar Encumbrances incidental to construction, maintenance or repair operations; and (ii) any applicable purchase money security interests under applicable personal property security legislation; and
 - (ii) other than for any restrictions in respect of the Transaction, any transfer restrictions on the GSH Shares;
- (vv) **“Person”** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;
- (ww) **“Purchase Price”** has the meaning given to such term in Section 3.1;
- (xx) **“Purchased Assets”** has the meaning given to such term in Section 2.1;
- (yy) **“Restricted Rights”** has the meaning given to such term in Section 2.3;
- (zz) **“Sale Procedures”** means the sale solicitation process scheduled to the Sale Procedures Order, with any amendments thereto to be acceptable to each of the Seller and the Buyer, each acting reasonably;
- (aaa) **“Sale Procedures Order”** means the form of Court order attached as Schedule “1.1(aaa)” hereto, with any amendments thereto to be acceptable to each of Seller and Buyer, each acting reasonably;
- (bbb) **“Seller”** has the meaning given to such term in the preamble to this Agreement;
- (ccc) **“Tax”** and **“Taxes”** means any and all:
 - (i) taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Authority, including those with respect to goods and services, harmonized sales, transfer, land transfer, use, real or personal property, and registration fees; and
 - (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority on or in respect of amounts of the type described in clause (i) above or this clause (ii);

- (ddd) **“Tax Act”** means the *Income Tax Act* (Canada), as amended and any relevant legislation of a province imposing tax similar to the *Income Tax Act* (Canada);
- (eee) **“Taxing Authority”** means any Governmental Authority, domestic or foreign, having jurisdiction over the assessment, determination, collection, or other imposition of any Tax;
- (fff) **“Transaction”** means, collectively, the of sale and purchase of the Purchased Assets pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the sale and purchase of the Purchased Assets;
- (ggg) **“Transfer Taxes”** has the meaning given to such term in Section 7.4(c);
- (hhh) **“Transition Services”** has the meaning given to such term in Section 7.6; and
- (iii) **“Transition Services Agreements”** has the meaning given to such term in Section 7.6.

1.2 Schedules

The schedules to this Agreement are an integral part of this Agreement.

<u>Schedule</u>	<u>Description</u>
Schedule 1.1(d)	Form of Approval and Vesting Order
Schedule 1.1(aaa)	Sale Procedures Order
Schedule 2.1(c)	Assigned Contracts

1.3 Statutes

Unless specified otherwise, reference in this Agreement to a statute refers to that statute as it may be amended, or to any restated or successor legislation of comparable effect.

1.4 Headings and Table of Contents

The inclusion of headings and a table of contents in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

1.5 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.6 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars.

1.7 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

1.8 Entire Agreement

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

1.9 Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by all Parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

1.10 Governing Law; Jurisdiction and Venue

This Agreement, the rights and obligations of the Parties under this Agreement, and any claim or controversy directly or indirectly based upon or arising out of this Agreement or the Transaction (whether based on contract, tort, or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof. The Parties consent to the exclusive jurisdiction and venue of the Court prior to a Final order of the Court terminating the CCAA Proceedings and thereafter to the Courts of Ontario for the resolution of any disputes arising under this Agreement. Each Party agrees that service of process on such Party as provided in Section 11.6 shall be deemed effective service of process on such Party.

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**ARTICLE 2
PURCHASE AND SALE**

2.1 Agreement to Purchase and Sell Purchased Assets

Upon and subject to the terms and conditions of this Agreement, at the Closing the Seller shall sell, assign, transfer, convey and deliver, and the Buyer shall purchase, free and clear of all Encumbrances other than the Permitted Encumbrances, all of the Seller's right, title and interest in, to and under, or relating to, the assets, property and undertaking, owned by the Seller and used solely in connection with or for the benefit of GSH and the GSH Business (collectively the "**Purchased Assets**"), including, without limitation, the following property, assets and undertaking:

- (a) *GSH Shares* – (i) 157,891,795 issued and outstanding Class A common shares; (ii) 1,111 issued and outstanding Class D common shares; (iii) 40,000,000 issued and outstanding Class E common shares; (iv) 7,624 issued and outstanding Class F Preferred shares; (v) 11,072 issued and outstanding Class G Preferred shares; and (vi) 14,400 issued and outstanding Class H Preferred shares issued and outstanding common shares in the capital of GSH (collectively, the "**GSH Shares**"), together with any share certificates, powers of attorney, endorsements, rights to purchase or otherwise acquire or obtain any additional shares of, or equity in, GSH, including without limitation, any and all conversion rights in respect thereof, and transfer powers evidencing or in respect of the GSH Shares;
- (b) *Books and Records* – all original books and records, minute books, corporate seals, Tax records, taxpayer and other identification numbers and other documents relating thereto, and records otherwise relating to the organization, maintenance and existence of GSH as a Person or otherwise relating to the GSH Business or any administrative functions in respect thereof (including, without limitation, all books and records relating to any accounting, finance, payroll, human resource, and other administrative functions), and whether in hardcopy or electronic form;
- (c) *Assigned Contracts* – each of the Contracts relating to the GSH Business set out on Schedule 2.1(c) hereto, as such schedule may be amended by Buyer in its sole discretion prior to Closing to add or remove Contracts (provided, for greater certainty, that there shall be no change in the Purchase Price resulting from any such additions or deletions to the schedule) (the "**Assigned Contracts**");
- (d) *Intercompany and Certain Other Claims* – any and all debts, liabilities, obligations, causes of action and other claims that Seller may have against GSH and the officers and directors of GSH, whether presently existing or contingent, or otherwise based on facts in existence and knowable to the Seller as of the Closing Date; and
- (e) *Other Assets* – any other property, assets and undertaking of the Seller that are specifically identified by the Buyer on or before Closing and that relate solely to

the conduct of the GSH Business (provided, for greater certainty, that there shall be no further increase in the Purchase Price resulting therefrom).

2.2 Assumption and/or Satisfaction of Liabilities

The Buyer shall assume and/or establish terms with the applicable lenders in respect of the principal debts of the Seller as of the Closing Date, and shall pay, discharge and perform, as the case may be, from and after the Closing Date the following liabilities and obligations of the Seller (collectively, the “**Assumed Liabilities**”):

- (a) *Obligations under Assigned Contracts, etc.* – all liabilities and obligations (including any cure costs but excluding any post-filing costs, such post-filing costs to be paid by the Seller) under or in respect of the Assigned Contracts;
- (b) *Clairvest Convertible Debentures Indebtedness Assumption* – liabilities and obligations under the Clairvest Convertible Debentures equal to the Clairvest Convertible Debentures Indebtedness Assumption Amount;
- (c) *CIBC Indebtedness* – all liabilities and obligations arising from, or in relation to, the Amended and Restated Credit Agreement among, *inter alia*, the Seller, the Canadian Imperial Bank of Commerce and GSH, as a guarantor, dated May 26, 2015;
- (d) *Element Indebtedness* – all liabilities and obligations arising from, or in relation to, an Aircraft Loan Agreement, dated as of January 31, 2014, as amended, and an Aircraft Loan Agreement, dated of March 31, 2014, each among, *inter alia*, the Seller, Element Financial Corporation and GSH, as a guarantor;
- (e) *RoyNat Indebtedness* – all liabilities and obligations arising from, or in relation to, an Aircraft Loan Agreement, dated as of March 26, 2012, as amended, among, *inter alia*, the Seller, Roynat Inc. and GSH;
- (f) *Intercompany Obligations* – all liabilities and obligations arising from, or in relation to, intercompany transactions between the Seller and GSH; and
- (g) *Permitted Encumbrances* – all liabilities and obligations arising from, or in relation to, the Permitted Encumbrances,

but the Buyer shall not be liable for, or assume, any other obligations or liabilities of the Seller (all such other obligations or liabilities, the “**Excluded Liabilities**”).

2.3 Assignment of Purchased Assets

The Seller and the Buyer shall use their reasonable commercial efforts to obtain prior to the Closing Date any necessary consents or approvals in order to assign the Assigned Contracts. To the extent assignable and transferable to the Buyer, all Assigned Contracts shall be assigned by the Seller to the Buyer on Closing.

Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or transfer any Purchased Asset or any right thereunder if an attempted assignment or transfer of such Purchased Asset or right thereunder without the consent of a third Person would constitute a breach thereunder (“**Restricted Rights**”), unless: (i) such consent is obtained; or (ii) the assignment has been ordered by the Court. The Seller shall hold any such Restricted Rights in trust for the Buyer until such time as consent and/or approval has been obtained, to the extent applicable. If a consent to transferring the Restricted Rights to the Buyer is not obtained, or such assignment is not attainable, the Seller and the Buyer will cooperate and use their respective commercially reasonable efforts to implement a mutually agreeable arrangement pursuant to which the Buyer will obtain the benefits and assume the liabilities and obligations related to such Restricted Rights in accordance with this Agreement including, at the election and expense of the Buyer, applying to the Court before or after Closing for an order compelling the assignment and for related relief, including, without limitation, pursuant to Section 11.3 of the CCAA.

The Seller and the Buyer shall use their reasonable commercial efforts to obtain prior to the Closing Date any necessary consents or approvals arising from, or in relation to, any change of control provisions in Contracts of GSH. If any such consent or approval is not obtained, or any such consent or approval is not attainable, the Seller and the Buyer will cooperate and use their respective commercially reasonable efforts to implement a mutually agreeable arrangement pursuant to which GSH will continue to enjoy the benefits of, and remain liable and obligated under, such Contracts of GSH, including, at the election and expense of the Buyer, applying to the Court before or after Closing for an order compelling, overriding, or obviating the need to obtain, any such approval or consent and for related relief.

In the event that the Transaction is subject to a consent requirement pursuant to any Contract of GSH so as not to be in breach of, or to otherwise permit the termination of, such Contract, the Seller and the Buyer shall use their reasonable commercial efforts to obtain any such consent on or before Closing.

To the extent that the Seller would incur any out-of-pocket costs and expenses after the Closing Time in order to comply with a specific obligation under this Section 2.3, the Seller shall not have to incur such out-of-pocket costs and expenses to comply with such obligation unless the Buyer shall have provided the Seller with the funds necessary to pay such out-of-pocket costs and expenses.

Notwithstanding the foregoing: (i) nothing in this Section 2.3 shall require the Seller to renew any Restricted Rights once they have expired; and (ii) any efforts required of the Seller pursuant to this Section 2.3 shall be strictly on an interim basis and in no event be required to continue for more than 120 days following the Closing Date.

2.4 Excluded Obligations

Other than the Assumed Liabilities, the Buyer shall not assume and shall not be liable, directly or indirectly, or otherwise responsible for any debts, liabilities or other obligations of the Seller to any Person.

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2.5 “As is, Where Is”

The Buyer acknowledges and agrees that all of the Purchased Assets are being purchased on an “as is, where is” basis as they shall exist at Closing. Unless and solely to the extent expressly set forth in this Agreement, no representation, warranty or covenant is expressed or implied by the Seller, including any warranties as to title, encumbrances, description, merchantability or fitness for a particular purpose, environmental compliance, condition, quantity or quality, or in respect of any other matter or thing whatsoever concerning the Business, the GSH Business and/or the Purchased Assets or the right of the Seller to sell or assign the same. Without limiting the generality of the foregoing, any and all conditions, warranties, or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario), as amended, or similar legislation do not apply hereto and have been waived by the Buyer. This Section 2.5 shall not merge on Closing and is deemed incorporated by reference into all Closing Documents and deliveries.

ARTICLE 3 PURCHASE PRICE AND RELATED MATTERS

3.1 Purchase Price

The purchase price payable by the Buyer to the Seller for the Purchased Assets (the “Purchase Price”) shall be: (i) the amount of the Clairvest DIP Indebtedness Assumption Amount; plus (ii) the Clairvest Convertible Debentures Indebtedness Assumption Amount, which amounts, in the aggregate, total \$12,381,000; plus (iii) the amount of the Assumed Liabilities (less each of the Clairvest DIP Indebtedness Assumption Amount and the Clairvest Convertible Debentures Indebtedness Assumption Amount). The Buyer shall satisfy the Purchase Price at the Closing Time by: (i) assuming liabilities and obligations under the DIP Credit Agreement equal to the Clairvest DIP Indebtedness Assumption Amount; (ii) assuming liabilities and obligations under the Clairvest Convertible Debentures equal to the Clairvest Convertible Debentures Indebtedness Assumption Amount; and (iii) assuming and/or providing for the satisfaction of the Assumed Liabilities (less each of the Clairvest DIP Indebtedness Assumption Amount and the Clairvest Convertible Debentures Indebtedness Assumption Amount).

On or before Closing, the Buyer shall have the right, but not the obligation, to assume additional Clairvest DIP Indebtedness Amounts and/or Clairvest Secured Indebtedness Amounts that are not otherwise assumed by the Buyer pursuant to the preceding paragraph.

3.2 Purchase Price Allocation Among Purchased Assets

The Purchase Price shall be allocated among each class of Purchased Assets as agreed by the Parties on or before Closing, acting reasonably. Such allocation shall be binding and the Buyer and the Seller shall each report the purchase and sale of the Purchased Assets for all tax purposes in a manner consistent with such allocation, and will complete and file all tax returns, designations, elections and filings that are necessary or desirable under the Tax Act to give effect to such allocations and shall not take any position or action inconsistent with such allocation.

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3.3 Purchase Price Allocation Between Purchase Price Components

The Purchase Price (other than the Assumed Liabilities component described in Section 3.1(iii)) shall be allocated between the Clairvest Convertible Debentures Indebtedness Assumption Amount and the Clairvest DIP Indebtedness Assumption Amount, as determined by the Buyer, in its sole discretion, on or before Closing. Such allocation shall be binding and the Buyer and the Seller shall each report the purchase and sale of the Purchased Assets for all tax purposes in a manner consistent with such allocation, and will complete and file all tax returns, designations, elections and filings that are necessary or desirable under the Tax Act to give effect to such allocations and shall not take any position or action inconsistent with such allocation.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES BY THE SELLER

The Seller represents and warrants to the Buyer and acknowledges that the Buyer is relying upon the following representations and warranties in connection with its purchase of the Purchased Assets the matters set out below:

4.1 Existence

The Seller is duly incorporated, organized and existing under the laws of its jurisdiction of organization. GSH is duly organized and validly existing under the laws of its jurisdiction of organization.

4.2 Recitals

The Recitals hereto are true and correct as of the date of this Agreement.

4.3 Due Authorization and Enforceability of Obligations

Subject to Court Approval being obtained, the Seller has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of each of this Agreement, the Closing Documents and the consummation of the Transaction has been duly authorized by all necessary corporate action of the Seller. This Agreement has been, and at the Closing Time the Closing Documents will be, duly executed and delivered by the Seller and constitutes a valid and binding obligation of the Seller enforceable against it in accordance with its terms, as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

4.4 Right to Sell, and Title to, Purchased Assets

The Seller is the registered and/or beneficial owner of the Purchased Assets, with good and marketable title thereto. At the Closing, the Seller shall convey to the Buyer all of the Seller's right, title and interest in and to the Purchased Assets free and clear of all Encumbrances except for Permitted Encumbrances, except with respect to any Assigned Contracts for which consent of a third Person is required for an assignment of such Contract and has not been obtained at the Closing Time.

4.5 GSH Shares

Other than the Clairvest Convertible Debentureholders, the Canadian Imperial Bank of Commerce, Element Financial Corporation and RoyNat Inc., the GSH Shares have not been pledged by the Seller to any Person. The Seller does not hold and has not at any time granted to any Person: (i) any presently outstanding rights or privileges to acquire any unissued equity of GSH; (ii) any right to purchase or otherwise acquire all or any part of the GSH Shares; or (iii) any presently outstanding options, warrants, stock plans or other instruments convertible into equity or other securities of GSH or pursuant to which any Person may acquire equity or other securities of GSH.

4.6 Absence of Conflicts

Except for Court Approval, the Seller is not a party to, bound or affected by or subject to any provision in its articles, by-laws or other constating documents or Applicable Laws or Governmental Authorizations that would be violated, breached by, or under which any default would occur or with notice or the passage of time would be created as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any Closing Documents to be entered into or delivered under the terms of this Agreement, except for any violations, breaches or defaults or any Applicable Laws or Governmental Authorizations that would not have a Material Adverse Effect on the conduct of the Business or on the ability of the Seller to consummate the Transaction.

4.7 Approvals and Consents

Except for: (a) Court Approval; (b) any consent required in connection with the assignment of any Assigned Contract or any Purchased Asset; and (c) any consent or approval arising from, or in relation to, any change of control provisions in Contracts of GSH, no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Seller and each of the Closing Documents to be executed and delivered by the Seller hereunder or the purchase of any of the Purchased Assets hereunder.

4.8 Residence of the Seller

The Seller is not a non-resident of Canada within the meaning of section 116 of the Tax Act.

4.9 HST Registration

The Seller is registered for purposes of HST Legislation and will provide its registration numbers to the Buyer.

4.10 Brokers

No broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Seller.

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**ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer represents and warrants to the Seller as follows, and acknowledges that the Seller is relying upon the following representations and warranties in connection with its sale of the Purchased Assets:

5.1 Existence

The Buyer is duly organized and validly existing under the laws of its jurisdiction of organization.

5.2 Recitals

The Recitals hereto are true and correct as of the date of this Agreement.

5.3 Due Authorization and Enforceability of Obligations

The Buyer has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action of the Buyer. This Agreement has been duly executed and delivered by the Buyer and constitutes a valid and binding obligation of the Buyer enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity. At the Closing Time, the Closing Documents required by this Agreement to be delivered by the Buyer will be duly executed and delivered by the Buyer and will constitute a valid and binding obligation of the Buyer enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

5.4 Absence of Conflicts

The Buyer is not a party to, bound or affected by or subject to any provision in its articles, by-laws or other constating documents or Applicable Laws or governmental authorizations, approvals, franchises, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority that would be violated, breached by, or under which any default would occur or with notice or the passage of time would, be created as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any other agreement or document to be entered into or delivered under the terms of this Agreement, except for any violations, breaches or defaults or any Applicable Laws or any governmental authorizations, approvals, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority, that would not have a material and adverse effect on the ability of the Buyer to consummate the transactions hereunder.

5.5 Approvals and Consents

Except for: (a) Court Approval; (b) any consent required in connection with the assignment of any Assigned Contract or any Purchased Asset; and (c) any consent or approval arising from, or in relation to, any change of control provisions in Contracts of GSH, no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Buyer and each of the Closing Documents to be executed and delivered by the Buyer hereunder or the purchase of any of the Purchased Assets hereunder.

5.6 Residence of the Buyer

The Buyer is not a non-resident of Canada within the meaning of section 116 of the Tax Act.

5.7 HST Registration

The Buyer, or its assignee(s) acquiring the Purchased Assets, is, or at the Closing Time will be, registered for purposes of HST Legislation and will provide its registration numbers to the Seller.

5.8 *Investment Canada Act*

The Buyer is (a) either a "Canadian" or "WTO investor" within the meaning of the *Investment Canada Act*; and (b) is not a "state-owned enterprise" within the meaning of the *Investment Canada Act*.

5.9 No Additional Due Diligence

The Buyer acknowledges and agrees that: (a) it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets and the Business prior to the execution of this Agreement; (b) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets and/or the Business; (c) it is not relying upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied, (by operation of law or otherwise), regarding the Purchased Assets or the Business or the completeness of any information provided in connection therewith, except as expressly stated in this Agreement; and (d) the obligations of the Buyer under this Agreement are not conditional upon any additional due diligence.

5.10 Brokers

No broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Buyer.

**ARTICLE 6
CONDITIONS**

6.1 Conditions for the Benefit of the Buyer and the Seller

The respective obligations of the Buyer and of the Seller to consummate the Transaction are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions for their mutual benefit:

- (a) no provision of any Applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the Transaction pursuant to this Agreement shall have been issued and in effect;
- (b) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction;
- (c) the Sale Procedures Order shall have been issued and entered on or before April 4, 2018, or on or before such later date as the Parties agree to in writing, and shall be Final;
- (d) this Agreement is the Successful Bid (as defined in the Sale Procedures);
- (e) the Approval and Vesting Order shall have been issued and entered on or before June 28, 2018, or on or before such later date as the Parties agree to in writing, and shall be Final;
- (f) the Court shall not have permanently declined to grant the Approval and Vesting Order; and
- (g) the Buyer shall sign, and be bound by, the terms of all shareholders' agreements in respect of GSH.

If the conditions set out in this Section 6.1 are not satisfied, performed or mutually waived on or before the Closing Date, either Party shall have the option to terminate this Agreement upon written notice to the other Party.

6.2 Conditions for the Benefit of the Buyer

The obligation of the Buyer to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by the Buyer of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Buyer):

- (a) the representations and warranties of the Seller set forth in this Agreement shall be true and correct at the Closing Time with the same force and effect as if made at and as of such time, except where any failure or failures of any such representations and warranties to be so true and correct would not, individually or in the aggregate, cause a Material Adverse Change (and, for this purpose, any

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reference to “material”, “Material Adverse Change” or any other concept of materiality in such representations and warranties shall be ignored);

- (b) the covenants contained in this Agreement to be performed by the Seller at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (c) after the date of this Agreement and before the Closing Time, there shall not have occurred any Material Adverse Change;
- (d) the Buyer shall have received on Closing a certificate confirming the satisfaction of the conditions contained in Sections 6.2(a) and 6.2(b), signed for and on behalf of the Seller without personal liability by an executive officer of the Seller or other Persons reasonably acceptable to the Buyer, in each case in form and substance reasonably satisfactory to the Buyer;
- (e) the Closing Documents, all other documents relating to the due authorization and completion of the Transaction and all actions and proceedings taken on or prior to the Closing in connection with the performance by the Seller of its obligations under this Agreement shall be satisfactory to the Buyer, acting reasonably, and the Buyer shall have received copies of all such documents and evidence that all such actions and proceedings have been taken as it may reasonably request in form and substance reasonably satisfactory to the Buyer;
- (f) the Purchased Assets shall be assigned and transferred to the Buyer free and clear of all Encumbrances other than Permitted Encumbrances in accordance with the Approval and Vesting Order, and the releases or discharges of all Encumbrances other than Permitted Encumbrances against the Purchased Assets, including any Court-ordered charges in the CCAA Proceedings, shall have been obtained in form and substance satisfactory to the Buyer, acting reasonably;
- (g) if, in its sole discretion, the Buyer has required the entry into one or more Transition Services Agreements, then all such Transition Services Agreements shall have been entered into among the Buyer, the Seller, GSH and the Seller’s other subsidiaries, or any combination thereof, each in form and substance acceptable to the Buyer, acting reasonably;
- (h) the Seller shall not have repudiated or terminated the Services Agreement made as of March 21, 2018, among the Seller and its subsidiaries, and shall not have ceased performing its obligations thereunder; and
- (i) since the date first written above, no Material Adverse Change shall have occurred.

Any condition in this Section 6.2 may be waived by the Buyer in whole or in part, without prejudice to its rights of termination in the event of non-fulfillment of any other condition in whole or in part. If any condition set out in this Section 6.2 is not satisfied, performed or waived

on or prior to the date specified therefor, the Buyer may elect on written notice to the Seller to terminate this Agreement.

6.3 Conditions for the Benefit of the Seller

The obligation of the Seller to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver where applicable, by the Seller of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Seller):

- (a) the representations and warranties of the Buyer set forth in this Agreement shall be true and correct in all material respects at the Closing Time with the same force and effect as if made at and as of such time;
- (b) the covenants contained in this Agreement to be performed by the Buyer at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (c) the Seller shall have received on Closing a certificate confirming the satisfaction of the conditions contained in Sections 6.3(a) and 6.3(b) signed for and on behalf of the Buyer without personal liability by an executive officer of the Buyer or other persons reasonably acceptable to the Seller, in each case in form and substance reasonably satisfactory to the Seller; and
- (d) all other Closing Documents required pursuant to this Agreement to be delivered by the Buyer on Closing in form and substance reasonably satisfactory to the Seller.

Any condition in this Section 6.3 may be waived by the Seller in whole or in part, without prejudice to its rights of termination in the event of non-fulfillment of any other condition in whole or in part. If any condition set out in this Section 6.3.2 is not satisfied, performed or waived on or prior to the date specified therefor, the Seller may elect on written notice to the Buyer to terminate this Agreement.

**ARTICLE 7
ADDITIONAL AGREEMENTS OF THE PARTIES**

7.1 Access to Information

Until the Closing Time, and subject to the terms and conditions of the Sale Procedures and the Sale Procedures Order, the Seller shall give to the Buyer's personnel engaged in the Transaction and their accountants, advisers, consultants and representatives during normal business hours reasonable access to its premises and to all of the books and records relating to the Business and the Purchased Assets, and the Seller shall furnish them with all such information relating to the Business and the Purchased Assets as the Buyer may reasonably request in connection with the Transaction, and shall coordinate reasonable access by the Buyer to the customers and suppliers of the Business. Notwithstanding anything in this Section 7.1 to the contrary, any such investigation shall be conducted upon reasonable advance notice and in

such manner as does not materially disrupt the conduct of the Business. The Seller shall also deliver to the Buyer authorizations to Governmental Authorities necessary to permit the Buyer to obtain information in respect of the Purchased Assets from the files of such Governmental Authorities.

7.2 Covenant Regarding Confidential Information

On or prior to Closing, the Seller shall request any Person that was furnished Confidential Information of the Seller in accordance with the Sale Procedures to return or destroy all such information.

7.3 Further Assurances

Each of the Parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Parties hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use commercially reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement. Upon and subject to the terms and conditions of this Agreement and subject to the directions of any applicable courts to the Seller, the Parties shall use their commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary proper or advisable under Applicable Laws to consummate and make effective the Transaction, including using commercially reasonable efforts to satisfy the conditions precedent to the obligations of the Parties hereto.

7.4 Tax Matters

- (a) The Buyer and the Seller agree to use commercially reasonable efforts to furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance relating to the Purchased Assets as is reasonably necessary for the preparation and filing of any Tax return, claim for refund or other required or optional filings relating to Tax matters, for the preparation for and proof of facts during any Tax audit, for the preparation for any Tax protest, for the prosecution of any suit or other proceedings relating to Tax matters and for the answer to any governmental or regulatory inquiry relating to Tax matters.
- (b) For purposes of any Tax return related to the Transaction, the Buyer and, to the extent applicable, the Seller, agree to report the Transaction in a manner consistent with the Purchase Price allocation determined in accordance with Section 3.2, and the Buyer and the Seller shall not voluntarily take any action inconsistent therewith in any such Tax return, refund claim, litigation or otherwise, unless required by applicable Tax laws. The Buyer and the Seller shall each be responsible for the preparation of their own statements required to be filed under the Tax Act and other similar forms in accordance with applicable Tax laws.
- (c) All amounts payable by the Buyer to the Seller pursuant to this Agreement are exclusive of any HST, or any other federal, provincial, state or local or foreign

value-added, sale, use, consumption, multi-staged, ad valorem, personal property, customs, excise, stamp, transfer, land or real property transfer, or similar Taxes, duties, or charges, or any recording or filing fees or similar charges (collectively, “**Transfer Taxes**”). All Transfer Taxes are the responsibility of and for the account of the Party required to pay such taxes under Applicable Laws. The Buyer and the Seller agree to cooperate to determine the amount of Transfer Taxes payable in connection with the Transaction. If the Seller is required by Applicable Law or by administration thereof to collect any applicable Transfer Taxes from the Buyer, the Buyer shall pay such amounts to the Seller concurrent with the payment of any consideration payable pursuant to this Agreement, and the Seller shall remit or account for such Transfer Taxes to the applicable Governmental Authority on a timely basis and otherwise in accordance with Applicable Laws.

- (d) The Seller shall not be required to deliver any certificates to the Buyer under section 6 of the *Retail Sales Tax Act* (Ontario) or under any similar provision contained in any other Applicable Law in respect of the Transfer Taxes.

7.5 Fees and Expenses

Except as expressly provided in this Agreement, all fees and expenses incurred in connection with the negotiation and settlement of this Agreement and the completion of the Transaction, including the fees and disbursements of counsel, financial advisors and accountants, shall be paid by the Person incurring such fees or expenses.

7.6 Transition Services

The Seller shall provide the Buyer with transition services relating to: (i) record keeping, financial, tax and other reporting obligations and other general administrative services as reasonably requested by the Buyer; and (ii) shared Contracts, services and assets both between the Seller and GSH and among the Seller, GSH and one or more of the Seller’s other subsidiaries, or between or among any combination of the foregoing parties (the “**Transition Services**”). The Buyer, in its sole discretion, may require that one or more agreements in respect of the Transition Services be entered into among the Buyer, the Seller, GSH and the Seller’s other subsidiaries, or any combination thereof, each in form and substance acceptable to the Buyer, acting reasonably, that are necessary or desirable for the operation of the GSH Business, including, without limitation, in the event that affiliates of the Buyer are not the successful bidders in other sales processes for the Seller’s assets conducted in the CCAA Proceedings (such agreements, the “**Transition Services Agreements**”).

**ARTICLE 8
COURT ORDERS**

8.1 Court Orders

- (a) As soon as reasonably possible after the execution of this Agreement, the Seller shall file a motion with the Court for the issuance of, and shall use its best efforts

to obtain, the Sale Procedures Order. Such motion shall be scheduled for a date that is on or before April 4, 2018, subject to the availability of the Court.

- (b) Within the time period provided for in the Sale Procedures, and provided that the Buyer is the Successful Bidder (as defined in the Sale Procedures), the Seller shall file a motion with the Court for the issuance of, and shall use its best efforts to obtain, the Approval and Vesting Order. Such motion shall be scheduled for a date that is on or before June 28, 2018, subject to the availability of the Court.
- (c) The Buyer shall use its best efforts to obtain any order or relief described in Section 2.3 (such orders and relief, together with the Sale Procedures Order and the Approval and Vesting Order, collectively, the "Court Orders"). The Buyer shall cooperate with the Seller acting reasonably, as may be necessary, in obtaining the Court Orders, as applicable.
- (d) The Buyer and its legal counsel shall be given a reasonable opportunity to review and comment on:
 - (i) the Seller's motion materials for the issuance of the Sale Procedures Order; and
 - (ii) to the extent that the Buyer is the Successful Bidder, (A) the Seller's motion materials for the issuance of the Approval and Vesting Order; and (B) any other materials prepared by the Seller in connection with obtaining the Court Orders (for greater certainty, not including any report or materials filed by the Monitor),

which shall be in form and substance satisfactory to the Buyer prior to being served.

- (e) Notice of the motions seeking the issuance and entry of the Court Orders shall be served by the Seller on all Persons required to receive notice under Applicable Laws and the requirements of the Court, and any other Person determined necessary or advisable by the Seller or the Buyer.

**ARTICLE 9
TERMINATION**

9.1 Termination

This Agreement may be terminated at any time prior to Closing upon the occurrence of any of the following:

- (a) by mutual written consent of the Seller and the Buyer;
- (b) if the Buyer is not the Successful Bidder, by either party upon the earlier of: (i) thirty (30) days after the Bid Deadline (as defined in the Sale Procedures); and (ii) approval by the Court of the Accepted Bid (as defined in the Sale Procedures),

provided, however, in the event that the Buyer is the Backup Bidder (as defined in the Sale Procedures), the Buyer may not terminate this Agreement until the closing of the Transaction with the Successful Bidder (as defined in the Sale Procedures);

- (c) by either Party (provided such Party is not in breach of its obligations under this Agreement so as to have caused a closing condition not to be fulfilled), upon written notice to the other, if any condition in Section 6.1 is unsatisfied as of the Closing Date;
- (d) by the Seller (provided that the Seller is not in breach of its obligations under this Agreement so as to have caused a closing condition not to be fulfilled), upon written notice to the Buyer, if any condition in Section 6.3 is unsatisfied on the Closing Date and such violation or breach has not been waived by the Seller or cured by the Buyer within three (3) Business Days after written notice thereof from the Seller to the Buyer; and
- (e) by the Buyer (provided that the Seller is not in breach of its obligations under this Agreement so as to have caused a closing condition not to be fulfilled), upon written notice to the Seller, if any condition in Section 6.2 is unsatisfied on the Closing Date and such violation or breach has not been waived by the Buyer or cured by the Seller within three (3) Business Days after written notice thereof from the Buyer to the Seller.

9.2 Effect of Termination

In the event of termination of this Agreement pursuant to Section 9.1, this Agreement shall forthwith become null and void, except as set forth in Section 9.2 and Article 11, and nothing herein shall relieve any Party from liability for any breach of this Agreement, or to impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement.

**ARTICLE 10
CLOSING**

10.1 Location and Time of Closing

The Closing shall take place at the Closing Time on the Closing Date at the Toronto, Ontario offices of Torys LLP, or at such other location as may be agreed upon in writing by the Parties hereto.

10.2 Closing Deliveries

- (a) At the Closing, the Seller shall deliver to the Buyer:
 - (i) the documents required to be delivered by the Seller pursuant to Sections 6.1 and 6.2;

- (ii) the consents and approvals required to be obtained pursuant to Section 2.3;
 - (iii) one of more bills of sale or general or specific conveyances with respect to the conveyance of the Purchased Assets, in each case executed by the Seller;
 - (iv) to the extent required to be executed by the Seller, an instrument of assumption of liabilities with respect to the Assumed Liabilities;
 - (v) actual possession of the Purchased Assets to the Buyer (including the GSH Shares); and
 - (vi) any other documents reasonably requested by the Buyer in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement.
- (b) At the Closing, the Buyer shall deliver to the Seller:
- (i) evidence of the satisfaction of the Purchase Price as provided for in Section 3.1, in form and substance satisfactory to the Seller, acting reasonably;
 - (ii) a document specifying the Purchase Price allocation for tax purposes, as provided for in Section 3.2;
 - (iii) a document specifying the allocation of the Purchase Price (other than the Assumed Liabilities component described in Section 3.1(iii)) between the Clairvest Convertible Debentures Indebtedness Assumption Amount and the Clairvest DIP Indebtedness Assumption Amount, as provided for in Section 3.3;
 - (iv) to the extent required to be executed by the Buyer, one of more bills of sale or general or specific conveyances with respect to the conveyance of the Purchased Assets;
 - (v) an instrument of assumption of liabilities with respect to liabilities and obligations under the DIP Credit Agreement equal to the Clairvest DIP Indebtedness Assumption Amount;
 - (vi) an instrument of assumption of liabilities with respect to liabilities and obligations under the Clairvest Convertible Debentures equal to the Clairvest Convertible Debentures Indebtedness Assumption Amount;
 - (vii) an instrument of assumption of liabilities with respect to, and/or an instrument providing for the satisfaction of, the Assumed Liabilities (less each of the Clairvest DIP Indebtedness Assumption Amount and the Clairvest Convertible Debentures Indebtedness Assumption Amount);

- (viii) evidence of payment of Transfer Taxes required by Applicable Law to be collected by the Seller, or, alternatively, if applicable, the election(s) referred to in Section 7.4, executed by the Buyer;
- (ix) the documents required to be delivered by the Buyer pursuant to Section 6.3; and
- (x) any other documents reasonably requested by the Seller in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement.

10.3 Monitor's Certificate

The Parties hereby acknowledge and agree that the Monitor will be entitled to file the Monitor's Certificate with the Court without independent investigation upon receiving written confirmation from the Seller and the Buyer that: (i) all conditions to Closing set forth in Article 6 have been satisfied or waived, and (ii) the Buyer has paid or satisfied, and the Seller has received or received the benefit of, the Purchase Price, and the Monitor will have no liability to the Seller or the Buyer or any other Person as a result of filing the Monitor's Certificate or otherwise in connection with this Agreement or the transactions contemplated hereunder (whether based on contract, tort or any other theory).

**ARTICLE 11
GENERAL MATTERS**

11.1 Confidentiality

- (a) Except to the extent otherwise specifically provided in this Section 11.1, each Party, on behalf of itself and its affiliates, agrees to keep the other Party's Confidential Information confidential and not to use the other Party's Confidential Information in any manner except as required to perform the obligations set out in this Agreement. Each Party agrees to be responsible for any breach of this Section 11.1 by any of its affiliates and its and their respective directors, employees, advisors, agents and representatives.
- (b) Notwithstanding anything to the contrary herein, each Party maintains the right to disclose the other Party's Confidential Information if required to do so by Applicable Laws or requirement of a Governmental Authority, or to appropriate Tax authorities in order to describe the tax treatment and tax structure of the Transaction; provided that the disclosure of such Confidential Information will be limited only to that purpose and provided further that it will use reasonable efforts to cooperate with the other Party in limiting the disclosure of the Confidential Information.
- (c) At the other Party's request, a Party will destroy all of the other Party's Confidential Information, provided that it is permitted to retain one copy of any Confidential Information to the extent required by Applicable Laws or its internal record keeping policies.

- (d) Any Confidential Information of the Seller that constitutes part of the Purchased Assets will cease to be Confidential Information of the Seller and will become Confidential Information of the Buyer on Closing.

11.2 Public Notices

No press release or other announcement concerning the Transaction shall be made by the Seller or by the Buyer without the prior consent of the other (such consent not to be unreasonably withheld); provided, however, that subject to the last sentence of this Section 11.2, any Party may, without such consent, make such disclosure if the same is required by Applicable Law (including the CCAA Proceedings) or by any insolvency or other court or securities commission or other similar regulatory authority having jurisdiction over such Party or any of its affiliates, and, if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure. Notwithstanding the foregoing: (i) this Agreement may be filed by the Seller with the Court; (ii) the Transaction may be disclosed by the Seller to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Laws; and (iii) the Seller may communicate freely with the Monitor as and to the extent required in connection with the CCAA Proceedings, the Sale Procedure and the Court Orders. The Parties further agree that:

- (a) the Seller may prepare and file reports and other documents with the Court containing references to the Transaction and the terms thereof, including for the purpose of obtaining the Court Orders; and
- (b) the Seller and their professional advisors may prepare and file such reports and other documents in the CCAA Proceedings containing references to the Transaction and the terms thereof as may reasonably be necessary to complete the Transaction or to comply with their obligations in connection therewith. Wherever possible, the Buyer shall be afforded an opportunity to review and comment on such materials prior to their filing.

Each of the Parties may issue a press release announcing the execution and delivery of this Agreement, in form and substance mutually agreed to by all of the Parties.

11.3 Survival

The representations and warranties of the Seller in this Agreement or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transaction are set forth solely for the purpose of Section 6.2 and none of them shall survive Closing. The Seller shall have no liability, whether before or after the Closing, for any breach of the Seller's representations, and the Buyer acknowledges that its exclusive remedy for any such breach shall be termination of this Agreement prior to the Closing (but only if permitted by Section 9.1).

11.4 Non-Recourse

No past, present or future director, officer, employee, incorporator, member, partner, stockholder, affiliate, agent, attorney or representative of the respective Parties hereto, in such capacity, shall have any liability for any obligations or liabilities of the Buyer or the Seller, as applicable, under this Agreement or for any claim based on, in respect of, or by reason of, the Transaction.

11.5 Assignment; Binding Effect

No Party may assign its right or benefits under this Agreement without the consent of the other Party hereto, except that without such consent the Buyer may: (i) assign any or all of its rights and obligations hereunder to one or more of its subsidiaries or affiliates; or (ii) direct that title to all or some of the Purchased Assets be transferred to one or more of its subsidiaries or affiliates, provided that no such assignment or direction shall relieve the Buyer of its obligations hereunder; provided further that if the Buyer shall have assigned all of its rights and obligations hereunder the Buyer shall, immediately following the Closing, be deemed fully released from all of the Buyer's obligations hereunder. References to the Buyer's residency for Tax purposes and to the Buyer's status under the Investment Canada Act are references to the ultimate Buyer. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third Person beneficiary rights in any Person or entity not a Party to this Agreement other than the third party beneficiaries of Section 11.4 hereof.

11.6 Notices

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (i) the date of personal delivery; (ii) the date of transmission by email, with confirmed transmission and receipt (if sent during normal business hours of the recipient, if not, then on the next Business Day); (iii) two days after deposit with a nationally-recognized courier or overnight service such as Federal Express; or (iv) five days after mailing via certified mail, return receipt requested. All notices not delivered personally or by facsimile will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

(a) If to the Buyer at:

c/o Clairvest Group Inc.
22 St. Clair Avenue East
Suite 1700
Toronto, Ontario M4T 2S3

Attention: James H. Miller, General Counsel and Corporate Secretary
Email: jmiller@clairvest.com

with copies (which shall not in itself constitute notice) to:

Torys LLP
TD Centre
79 Wellington Street West, 30th Floor
Toronto, Ontario M5K 1N2

Attention: David Bish / Adam Slavens
Email: dbish@torys.com / aslavens@torys.com

(b) If to the Seller at:

Discovery Air Inc.
170 Attwell Drive, Suite 370
Toronto, Ontario M9W 5Z5

Attention: David Kleiman
Email: david.kleiman@discoveryair.com

with copies (which shall not in itself constitute notice) to:

Goldman Sloan Nash & Haber LLP
480 University Ave Suite 1600
Toronto, Ontario M5G 1V2

Attention: Mario Forte / Michael Rotsztain
Email: forte@gsnh.com / rotsztain@gsnh.com

and to:

KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

Attention: Bobby Kofman / David Sieradzki
Email: bkofman@ksvadvisory.com / dsieradzki@ksvadvisory.com

with copies (which shall not in itself constitute notice) to:

Goodmans LLP
Bay Adelaide Centre – West Tower
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Attention: L. Joseph Latham
Email: jlatham@goodmans.ca

Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

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11.7 Counterparts; Facsimile Signatures

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Agreement by any of the Parties hereto may be evidenced by facsimile, scanned e-mail or internet transmission copy of this Agreement bearing such signature which, for all purposes, shall be deemed to be an original signature.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

DISCOVERY AIR INC.

By: 
Name:
Title:

By: 
Name:
Title:

10671541 CANADA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

DISCOVERY AIR INC.

By: _____

Name:
Title:

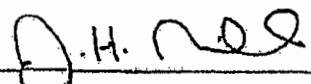
By: _____

Name:
Title:

10671541 CANADA INC.

By:  _____

Name: Daniel Cheng
Title: Chief Financial Officer

By:  _____

Name: JAMES LINDER
Title: CORPORATE SECRETARY

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Schedule 1.1(d)

Form of Approval and Vesting Order

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)
JUSTICE) DAY OF , 2018

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**APPROVAL AND VESTING ORDER
(Great Slave Helicopters)**

THIS MOTION, made by Discovery Air Inc. (the "Applicant") for an order approving the sale transaction (the "Transaction") contemplated by an asset purchase agreement (the "Sale Agreement") between the Applicant and 10671541 Canada Inc. (the "Purchaser") dated ■, 2018, and appended to ■, and vesting in the Purchaser the Applicant's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING ■, filed, and on hearing the submissions of counsel for the Applicant, KSV Kofman Inc., in its capacity as the monitor of the Applicant (the "Monitor"), and the Purchaser, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ■ sworn ■, 2018, filed:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Applicant is hereby authorized and approved, with such minor amendments as the Applicant and the Purchaser, with the consent of the Monitor, may agree upon pursuant to the Sale Agreement. The Applicant, with the consent of the Monitor, is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Monitor's Certificate"), all of the Applicant's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ■ dated ■, 2018 (the "Initial Order"); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal or movable property registry system in any provinces or territories in Canada, including, without limitation, under the Civil Code of Quebec; and (iii) any Excluded Liabilities (as defined in the Sale Agreement) (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "B" or the Assumed Liabilities (as defined in the Sale Agreement)). This Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that all counterparties to any Contract (as defined in the Sale Agreement) to which Great Slave Helicopters Ltd. is a party or beneficiary, are prohibited from

File

exercising any right or remedy under such Contract, including, without limitation, any rights of termination, that arise as a result of, or otherwise relate to, the Transaction, the insolvency of the Applicant, the commencement of the Applicant's proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") or any relief granted in such proceedings (including, without limitation, the extension of a limited stay of proceedings to the Non-Applicant Subsidiaries (as defined in the Initial Order).

5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

7. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicant is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Applicant's records pertaining to the Applicant's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Applicant.

8. THIS COURT ORDERS that, notwithstanding:

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

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

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Schedule "A" - Form of Monitor's Certificate

Court File No.: _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**MONITOR'S CERTIFICATE
(Great Slave Helicopters)**

RECITALS

A. Pursuant to an Order of the Honourable ■ of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated ■, 2018, KSV Kofman Inc. was appointed as the monitor (the "Monitor") of Discovery Air Inc. (the "Applicant").

B. Pursuant to an Order of the Court dated ■, 2018, the Court approved the agreement of purchase and sale made as of ■, 2018 (the "Sale Agreement") between the Applicant and 10671541 Canada Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Applicant's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 6 of the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Applicant has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 6 of the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

**KSV KOFMAN INC., in its capacity as
Monitor of Discovery Air Inc., and not in its
personal capacity**

Per: _____
Name:
Title:

Schedule "B" – Permitted Encumbrances

Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

1. Encumbrances imposed by Applicable Law that rank in priority as at the Closing Date to the Encumbrances created by or resulting from the Clairvest Security Documents, including, but not limited to: (i) any applicable Encumbrances in favour of mechanics, labourers, workmen, builders, contractors, suppliers of goods or services, or other similar Encumbrances incidental to construction, maintenance or repair operations; and (ii) any applicable purchase money security interests under applicable personal property security legislation.
2. Other than for any restrictions in respect of the Transaction, any transfer restrictions on the TA Holdings Shares or the TA Shares.

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- 2 -

Schedule 1.1(aaa)

Sale Procedure Order

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEEKDAY, THE #
)
JUSTICE) DAY OF MONTH, 2018
)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

SSP APPROVAL ORDER

THIS MOTION, made by Discovery Air Inc. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, *inter alia*, approving a sale and solicitation process and certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicant, the affidavit of ■ sworn ■, 2018, and the Exhibits thereto (the "**Affidavit**"), the First Report of KSV Kofman Inc., in its capacity as Monitor (the "**Monitor**") dated ■, 2018, filed, and on hearing the submissions of counsel for the Applicant, the Monitor and [**Clairvest Group Inc.**], no one else appearing although duly served as appears from the Affidavit of Service of ■ sworn ■, 2018, filed:

SERVICE

- 1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
- 2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them under the sale and solicitation process attached hereto as Schedule “■” (the “SSP”).

APPROVAL OF STALKING HORSE AGREEMENTS

- 3. **THIS COURT ORDERS** that the execution, delivery, entry into, compliance with, and performance by the Applicant of each of the Top Aces Stalking Horse Agreement, GSH Stalking Horse Agreement, ATL Stalking Horse Agreement and DMS Stalking Horse Agreement (each, as defined in the ■ Affidavit, and, collectively the “**Stalking Horse Agreements**”), be and is hereby ratified, authorized and approved, *provided, however*, that nothing contained in this Order approves the sale or the vesting of any property, assets or undertaking of the Applicant to either of the Stalking Horse Bidders pursuant to any of the Stalking Horse Agreements and that, if any or all of the Stalking Horse Agreements are the Accepted Bid under the SSP, the approval of the sale and vesting of the assets contemplated to be sold thereunder to the applicable Stalking Horse Bidder shall be considered by this Court on a subsequent motion or motions made to this Court following completion of the SSP, all in accordance with the terms of the SSP.
- 4. **THIS COURT ORDERS** that the Stalking Horse Agreements be and are hereby approved and accepted solely for the purposes of constituting stalking horse bids under the SSP.
- 5. **THIS COURT DECLARES** that the Stalking Horse Bidders are parties to these proceedings.
- 6. **THIS COURT ORDERS** that the Stalking Horse Agreements shall not be rendered invalid or unenforceable and the rights and remedies of the Stalking Horse Bidders thereunder shall not otherwise be limited or impaired in any way by: (a) the Applicant’s CCAA proceedings and the declarations of insolvency made in connection therewith; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”),

or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of security interests, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the execution, delivery or performance of the Stalking Horse Agreements shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party; and
- (b) the Stalking Horse Bidders shall not have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the Stalking Horse Agreements.

APPROVAL OF SSP

7. **THIS COURT ORDERS** that the SSP (subject to such non-material amendments as may be agreed to by the Monitor and the Stalking Horse Bidders (including all schedules thereto)) be and is hereby approved and the Monitor, the Applicant and the Non-Applicant Subsidiaries (as defined in the Initial Order) are hereby authorized and directed to take such steps as they deem necessary or advisable (subject to the terms of the SSP) to carry out the SSP, subject to prior approval of this Court being obtained before completion of any transaction(s) under the SSP.

8. **THIS COURT ORDERS** that the Monitor, the Applicant, the Non-Applicant Subsidiaries and their respective affiliates, partners, directors, employees, advisors, 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 their duties under the SSP, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or wilful misconduct of the Monitor, the Applicant, or the Non-Applicant Subsidiaries, as applicable, as determined by the Court.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Monitor, the Applicant and the Non-Applicant Subsidiaries (under the direction of the Monitor) are hereby authorized and permitted to disclose and transfer to each potential bidder (the “**Bidders**”) (including, without limitation, the Stalking Horse Bidders) and to their Representatives, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Companies’ records pertaining to the Companies’ past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale of the shares and assets contemplated by the Stalking Horse Agreements (a “**Sale**”). Each Bidder or Representative to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Sale, and if it does not complete a Sale, shall return all such information to the Monitor, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Monitor. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the Accepted Bid(s), shall be entitled to use the personal information provided to it that is related to the Property acquired pursuant to the SSP in a manner that is in all material respects identical to the prior use of such information by the relevant Company or Companies, and shall return all other personal information to the Monitor, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Monitor.

GENERAL

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or any other jurisdiction, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

11. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

12. **THIS COURT ORDERS** that at any time during the SSP, the Monitor, the Applicant or any Stalking Horse Bidder may apply to the Court for directions with respect to the SSP.

SCHEDULE "A"

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SALE SOLICITATION PROCESS

Introduction

On March [21], 2018, Discovery Air Inc. (the "**Debtor**") commenced a proceeding (the "**CCAA Proceeding**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") before the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Pursuant to the initial order issued by the Court in the CCAA Proceeding (the "**Initial Order**"), KSV Kofman Inc. was appointed as monitor (the "**Monitor**") in the CCAA Proceeding.

The following Schedules are incorporated into this SSP: (a) Schedule "A" – References and Definitions; (b) Schedule "B" – Form of Acknowledgment of Sale Solicitation Process; (c) Schedule "C" – Addresses for Notice; and (d) Schedule "D" – Auction Procedures.

On ■, 2018, the Debtor brought a motion (the "**SSP Motion**") before the Court, for, among other things, an order (the "**SSP Order**") approving:

- (a) the Top Aces Stalking Horse Agreement pursuant to which the Top Aces Stalking Horse Bidder has agreed to: (i) purchase: (A) the Holdco Shares; (B) certain assets owned by the Debtor and used in the Top Aces business and/or shared between the Top Aces business and the businesses of GSH, ATL and DMS (together with the Holdco Shares, the ("**Top Aces Property**")); and (C) intercompany debt owing by Top Aces to the Debtor, if any and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness, if any;
- (b) the following Stalking Horse Agreements between the Debtor and the Northern Stalking Horse Bidder:
 - (i) the GSH Stalking Horse Agreement pursuant to which the Northern Stalking Horse Bidder has agreed to: (i) purchase: (A) the GSH Shares; (B) certain assets owned by the Debtor and used in the GSH business as more particularly described in the GSH Stalking Horse Agreement (together with the GSH Shares, the "**GSH Property**") (C) certain intercompany debt owing by GSH to the Debtor (the "**GSH Intercompany Debt**"); and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness of the Debtor;
 - (ii) the ATL Stalking Horse Agreement pursuant to which the Northern Stalking Horse Bidder has agreed to: (i) purchase: (A) the ATL Shares; (B) certain assets owned by the Debtor and used in the ATL business as more particularly described in the ATL Stalking Horse Agreement (together with the ATL Shares, the "**ATL Property**") (the "**ATL Intercompany Debt**"); and (C) certain intercompany debt owing by ATL to the Debtor; and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness owing by the Debtor;
 - (iii) the DMS Stalking Horse Agreement pursuant to which the Northern Stalking Horse Bidder has agreed to: (i) purchase: (A) the DMS Shares;

(B) certain assets owned by the Debtor and used in the DMS business as more particularly described in the DMS Stalking Horse Agreement (together with the DMS Shares, the “DMS Property”); and (C) certain intercompany debt owing by DMS to the Debtor, if any; and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness owing by the Debtor; and

(c) this SSP.

On ■, 2018, the Court granted the SSP Order. The Monitor will conduct the SSP in accordance with the SSP Order.

Under the SSP, all qualified interested parties will be provided with an opportunity to participate in the SSP on the terms set out herein.

Commencement of the SSP and Identifying Bidders

1. The purpose of the SSP is to conduct certain processes to provide interested parties with opportunities to submit competing offers on an “as is, where is” basis to purchase: (a) the Top Aces Property; (b) the GSH Property, the GSH Intercompany Debt or all or substantially all of the assets of GSH; (c) the ATL Property, the ATL Intercompany Debt or all or substantially all of the assets of ATL; and (d) the DMS Property or all or substantially all of the assets of DMS (each, an “Opportunity”). The SSP shall apply to each of the Opportunities and the related processes and transactions, including without limitation, the Top Aces Transaction, GSH Transaction, ATL Transaction and DMS Transaction.
2. Any sales pursuant to this SSP will be without surviving representations or warranties of any kind, nature, or description by the Monitor, the Companies or any of their respective directors, officers, agents, advisors or other representatives unless otherwise agreed in a definitive agreement.
3. All of the Debtor’s right, title and interest in and to any of the Property or other assets to be sold pursuant to any Transactions will be sold free and clear of the pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon as set out in the Court order approving such sale unless specifically permitted to continue pursuant to the terms of the Accepted Bid.

Timeline

4. The following table sets out the key milestones and deadlines under the SSP:

Milestone	Deadline (Top Aces SSP)	Deadline (GSH SSP)	Deadline (ATL SSP)	Deadline (DMS SSP)
Commencement SSP	April 4, 2018	April 4, 2018	April 4, 2018	April 4, 2018
Bid Deadline	May 21, 2018	June 4, 2018	June 4, 2018	June 4, 2018

Auction	May 31, 2018	June 14, 2018	June 14, 2018	June 14, 2018
Closing Date Deadline	July 31, 2018	July 31, 2018	July 31, 2018	July 31, 2018

Solicitation of Interest: Notice of the SSP

5. The Debtor will issue a press release providing notice of the SSP and any such other relevant information as the Debtor and Monitor consider appropriate (a “**Notice**”) with Canada Newswire for designated dissemination in Canada and major financial centres in the United States.
6. The Monitor shall be entitled, but not obligated, to arrange for a Notice to be published in *The Globe and Mail* (National Edition), and any other newspaper or industry journals as the Monitor considers appropriate, if any, if it believes that such advertisement would be useful in the circumstances.
7. The Monitor has prepared:
 - (a) a list of potential financial bidders who may be interested in a Top Aces Transaction and a list of potential financial and strategic bidders who may be interested in any or all of the Northern Transactions (collectively, “**Potential Bidders**”);
 - (b) Teaser Letters describing the Opportunities, outlining the processes under the Top Aces SSP and Northern SSP, respectively, and inviting recipients of the Teaser Letters to express their interest pursuant to the applicable SSP or SSPs;
 - (c) a form of NDA; and
 - (d) two CIMs describing the Opportunities, which will be made available by the Monitor to Bidders (as defined below).
8. The Monitor has established Data Rooms in respect of the various SSPs which Data Rooms may continue to be updated from time to time during the SSP process.
9. The Monitor may consult with, or seek the assistance or cooperation of, the Companies with respect to the activities described in paragraphs 6, 6 and 8 above.
10. The Monitor will send the applicable Teaser Letter(s) and applicable form or forms of NDA to all applicable Potential Bidders as soon as reasonably practicable after the granting of the SSP Order and to any other party who requests a copy of a Teaser Letter and NDA or who is identified by the Debtor or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Delivery of CIMs

11. Any party who wishes to participate in one or more of the SSPs (an “**Interested Party**”) including any Potential Bidder, must provide to the Monitor:

- (a) a NDA executed by it, and a letter setting forth the identity of the Interested Party, the contact information for such Interested Party and full disclosure of the direct and indirect principals of the Interested Party;
 - (b) an acknowledgment of the applicable SSP or SSPs in which the Interested Party wishes to participate, in the form attached hereto as Schedule "B"; and
 - (c) such form of financial disclosure and credit quality support or enhancement that allows the Monitor to make a reasonable determination as to the Interested Party's financial and other capabilities to consummate a Sale Proposal.
12. If it is determined by the Monitor, in its reasonable business judgment, that an Interested Party: (i) has delivered the documents contemplated in paragraph 11 above; and (ii) has the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale pursuant to the SSP or SSPs in which the Interested Party is interested, then such Interested Party will be deemed to be a "**Bidder**". For greater certainty, the Monitor may, in its reasonable business judgment, determine that an Interested Party may be deemed a Bidder in one SSP but not another.
13. The Monitor will provide each Bidder with a copy of the applicable CIM(s) and access to any corresponding Data Rooms. Bidders and Qualified Bidders (as defined in paragraph 24 below) must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in any of the SSPs and any transaction they enter into with the Debtor. The Companies, the Monitor and their respective directors, officers, agents and advisors make no representation or warranty as to the information (i) contained in any of the CIMs or the Data Rooms; (ii) provided through the due diligence process or otherwise made available pursuant to any of the SSPs; or (iii) otherwise made available to a Potential Bidder, Interested Party, Bidder or Qualified Bidder, except to the extent expressly contemplated in any definitive sale with the Successful Bidder (as defined below) duly executed and delivered by the Debtor and approved by the Court.
14. At any time during the SSP, the Monitor may, in its reasonable business judgment, eliminate a Bidder from any of the SSPs, in which case such party will no longer be a Bidder for the purposes of such SSP, provided however, this provision does not apply to either of the Stalking Horse Bidders. For greater certainty, the Monitor may, in its reasonable business judgment, eliminate a Bidder participating in multiple SSPs from one but not other SSPs.
15. None of the Companies nor any of its affiliates, shall meet or communicate with a Potential Bidder, Interested Party, Bidder or Qualified Bidder, including the Stalking Horse Bidders, in respect of the Stalking Horse Bids, regarding any Transaction or Opportunity without (a) informing the Monitor and (b) allowing the Monitor the right and opportunity to participate in such meeting, management presentation or communication. In the event a disagreement arises between the Debtor and the Monitor with respect to any matters related directly or indirectly to this SSP, the Monitor, unless otherwise ordered by the Court, shall have the sole authority to make a final decision with respect to such matters.

- 16. Representatives of the Debtor shall not communicate the identities of any Interested Parties or information in respect of any bids or transaction documents to representatives of either of the Stalking Horse Bidders, whether in that capacity or any other capacity unless and until the identity of the Qualified Bidders are exchanged with all other Qualified Bidders at Auction. For greater certainty, the foregoing provision is not intended to prevent or restrict the Companies from meeting or communicating with either of the Stalking Horse Bidders or any party related thereto regarding matters that do not relate to the SSP.
- 17. The Monitor, with the Debtor’s assistance, shall afford each Bidder such access to applicable due diligence materials and information pertaining to the applicable SSP or SSPs as the Monitor deems appropriate in its reasonable business judgment. Due diligence access may include management presentations, access to the Data Room(s), on-site inspections, and other matters which a Bidder may reasonably request and which the Monitor deems appropriate. The Monitor will designate one or more representatives to coordinate all reasonable requests for additional information and due diligence access from each Bidder and the manner in which such requests must be communicated. Neither the Debtor nor the Monitor will be obligated to furnish any information relating to the Property to any person other than to Bidders. For the avoidance of doubt, selected due diligence materials may be withheld from certain Bidders if the Monitor determines such information to represent proprietary or sensitive competitive information.

Formal Offers and Determination of Qualified Bids

- 18. Bidders will be able to refer to template Purchase Agreements (which will be based on the Stalking Horse Agreements) placed in the Data Rooms.
- 19. Bidders that wish to make a formal offer within one or more of the SSPs (a “**Sale Proposal**”) must submit offers to the Monitor so as to be received by the Monitor not later than 5:00 PM (Toronto Time) on **[June 4]**, 2018, (the “**Bid Deadline**”). All offers in respect of the applicable Property must be in the form of a duly authorized and executed Purchase Agreement with any changes disclosed in a comparison against the template Purchase Agreement, if applicable, (a “**Final Bid**”) at each of the addresses specified in Schedule “C” hereto and may be submitted by email and/or hard copy delivery. Bidders who wish to submit a Sale Proposal for the assets of any or all of GSH, ATL and/or DMS may submit any such Sale Proposal in a separate form of asset purchase agreement reflecting terms consistent with an insolvency transaction, including without surviving representations and warranties. For greater certainty, Bidders must submit a separate Purchase Agreement or asset purchase agreement for each SSP in which the Bidder is making a Sale Proposal.
- 20. The Monitor, in consultation with the Debtor, may modify the Bid Deadline with respect to some or all of the SSPs. Any such modification shall be communicated to all Bidders for the applicable SSP in writing and posted on the Monitor’s Website.
- 21. In order to be considered a Final Bid, a Sale Proposal shall include the following terms (collectively, the “**Final Bid Criteria**”):

- (a) Subject to subsection (b) below, that the bid is binding and irrevocable until the earlier of (i) 30 days after the Bid Deadline and (ii) approval by the Court of the Accepted Bid (the “**Bid Termination Date**”);
- (b) include an acknowledgement that if such Final Bid is selected by the Monitor as the Backup Bid at the Auction, such Final Bid shall remain binding, irrevocable and open for acceptance by the Debtor until the closing of the transaction with the Successful Bidder;
- (c) include a refundable cash deposit in the form of a wire transfer (to a bank account specified by the Monitor) or such other form of deposit as is acceptable to the Monitor, payable to the Monitor, in trust, in an amount equal to 15% (the “**Deposit**”) of the purchase price contemplated by the Bidder’s Final Bid;
- (d) provide contact information (including an email address) for the Bidder and disclose the identity of each entity (including its ultimate shareholders and/or sponsors) that will be bidding for the Property or otherwise participating in a Final Bid and the complete terms of any such participation;
- (e) include written evidence of a firm, irrevocable commitment for financing or other evidence of an ability to consummate the proposed transaction or transactions comprising the Final Bid, that will allow the Monitor to make a determination as to the Bidder’s financial and other capabilities to consummate the proposed transaction;
- (f) include acknowledgments and representations of the Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property, the Debtor or otherwise prior to making its bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of the Property (including, without limitation, any documents in connection therewith) in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Property or the Debtor or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Debtor and approved by the Court;
- (g) include written evidence, in form and substance reasonably satisfactory to 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;
- (h) provides value to the creditors and other stakeholders of the Debtor (having regard to the relative priority of creditor claims) that is equal to or greater than the value of the applicable Stalking Horse Agreement;
- (i) details of any liabilities to be assumed by the Bidder;
- (j) not be subject to further due diligence;

- (k) not be subject to financing;
 - (l) include a description of any regulatory or other third-party approvals required for the Bidder to consummate the sale transaction, and the time period within which the Bidder expects to receive such regulatory and/or third-party approvals, and those actions the Bidder will take to ensure receipt of such approvals as promptly as possible;
 - (m) include a description of any desired arrangements with respect to transition services that may be required from any of the Companies in connection with the sale transaction;
 - (n) not be subject to any conditions precedent except those that are customary in a transaction of this nature;
 - (o) not be conditional upon approval by the Court of any bid protection, such as a break-up fee, termination fee, expense reimbursement or similar type of payment;
 - (p) be received by the Bid Deadline; and
 - (q) contemplate closing the transaction set out therein on or before [July 31], 2018 (the “Closing Date Deadline”).
22. Following the Bid Deadline, the Monitor will determine if each Sale Proposal delivered to the Monitor meets the Final Bid Criteria, provided that each Sale Proposal may be negotiated among the Monitor and the applicable Bidder and may be amended, modified or varied to improve such Sale Proposal as a result of such negotiations. The Monitor shall be under no obligation to negotiate identical terms with, or extend identical terms to, each Bidder.
23. On notice to parties in the CCAA Proceeding, the Monitor may seek Court approval of an amendment to the SSP or any one of them that it considers material. For greater certainty, the extension of any deadline by up to two weeks shall not be considered material.
24. If a Sale Proposal meets the Final Bid Criteria, such Final Bid will be deemed to be a “Qualified Bid” and the Bidder in respect of each such Qualified Bid shall be a “Qualified Bidder” in respect of the applicable SSP. The Monitor may waive strict compliance with any one or more of the Final Bid Criteria and deem such non-compliant Sale Proposal to be a Qualified Bid, provided that doing so shall not constitute a waiver by the Monitor of the Final Bid Criteria or an obligation on the part of the Monitor to designate any other Sale Proposal as a Qualified Bid.

Selection of Successful Bidders

- 25. On or before June 11, 2018, or at such later time as the Monitor may deem appropriate, the Monitor will advise each Bidder if its Sale Proposal is a Qualified Bid (the “Notification Date”) with respect to the applicable SSP.

26. If one or more Qualified Bids for a particular SSP is received by the Bid Deadline (as such deadline may be extended by the Monitor as set out herein), all Qualified Bidders for such SSP shall proceed to an Auction with the applicable Stalking Horse Bidder, to be held on June 14, 2018, which shall proceed according to the Auction Procedures to identify the Successful Bidder. For greater certainty, each Stalking Horse Bidder is, and is deemed to be, a Qualified Bidder in respect of the applicable SSP and each Stalking Horse Agreement is, and is deemed to be, a Qualified Bid for all purposes in connection with the applicable SSP. The Monitor, in consultation with the Debtor, may postpone or delay the commencement of an Auction with respect to either or both of the SSPs. Any such postponement or delay shall be posted at the Auction Location, communicated to all applicable Qualified Bidders for the applicable SSP in writing and posted on the Monitor's Website.
27. If no Qualified Bid for a SSP other than the Stalking Horse Purchase Agreement is received by the Bid Deadline (as the same may be extended by the Monitor as set out herein), an Auction for such SSP will not be held and that Stalking Horse Bidder will be declared to be the Successful Bidder with respect to the applicable Transaction. The "Accepted Bid" for a SSP will be either (i) the applicable Stalking Horse Bid if no Qualified Bid for such SSP is received by the Bid Deadline or so designated by the Monitor; or (ii) in the event of an Auction, the highest and best bid as determined by the Monitor at the Auction. The party that submitted the Accepted Bid for a SSP is referred to herein as the "Successful Bidder" with respect to such SSP.
28. If, upon the conclusion of an Auction, the Stalking Horse Bidder is not the Successful Bidder, the Successful Bidder's transaction shall be considered to be a superior transaction (a "Superior Transaction").
29. Within seven (7) Business Days of the selection of an Accepted Bid for a Transaction (or as soon as reasonably possible thereafter), the Debtor shall file an Approval Motion. All of the Qualified Bids for that Transaction and SSP other than the applicable Accepted Bid, the Backup Bid and the Stalking Horse Bid, shall be deemed rejected by the Monitor on and as of the date of approval of the applicable Accepted Bid by the Court.
30. All Deposits will be retained by the Monitor in trust. The Monitor shall deposit all Deposits with interest bearing accounts. Any Deposit held by the Monitor with respect to the Accepted Bid (plus accrued interest, if any) will be non-refundable (other than as may be provided for in the Purchase Agreement that constitutes the Accepted Bid) and will be applied to the purchase price to be paid by the Successful Bidder upon closing of the transaction under the Accepted Bid. The Deposits (plus applicable interest, if any) of Bidders not selected as Qualified Bidders will be returned to such Bidders within three (3) Business Days of the Notification Date. The Deposits (plus applicable interest, if any) of Qualified Bidders (other than the Backup Bidder) not selected as the Successful Bidder will be returned to such parties within three (3) Business Days of the Bid Termination Date.
31. If the Successful Bidder for any Transaction fails to close the transaction contemplated by the Accepted Bid by the earlier to occur of the applicable Closing Date Deadline and the closing date under the Accepted Bid (or such date that may otherwise be mutually agreed

upon among the Debtor, the Monitor and the Successful Bidder), the Monitor shall be authorized but not required to: (a) direct the Debtor to exercise such rights and remedies as are available to the Debtor under the Accepted Bid including, if applicable, deeming that the Successful Bidder has breached its obligations pursuant to the Accepted Bid and that the Successful Bidder has forfeited its Deposit to the Debtor; (b) designate the Backup Bidder as the Successful Bidder and direct the Debtor to close the transaction under the Backup Bid; or (c) take such other steps as it deems advisable. The Debtor reserves its right to seek all available damages, including specific performance, from any defaulting Successful Bidder (including any Backup Bidder designated as a Successful Bidder).

Confidentiality and Access to Information

32. Each Potential Bidder, Interested Party, Bidder or Qualified Bidder (including the Stalking Horse Bidder) 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, Bidders, Qualified Bidders, Qualified Bids, the details of any bids submitted or the details or existence of any confidential discussions or correspondence among the Debtor, the Monitor and any Bidder in connection with any SSP in which such parties are participating.
33. In addition, the Monitor may consult with any other parties with a material interest in the CCAA Proceeding regarding the status and material information and developments relating to any or all of the SSPs to the extent considered appropriate by the Monitor and taking into account, among other things, whether any particular party is a Bidder, Qualified Bidder, or other participant or prospective participant in one or more of the SSPs; provided that such parties may be required to enter into confidentiality arrangements satisfactory to the Monitor. For greater certainty, Clairvest shall not be entitled to any information regarding the status of the SSP unless such information is provided to all Qualified Bidders in the process.

Supervision of the SSP

34. The Monitor will oversee, in all respects, the conduct of the SSP and, without limitation, the Monitor will participate in the SSP in the manner set out herein and in the SSP Order. All discussions or inquiries to the Debtors regarding the SSP shall be directed to the Monitor. Under no circumstances should representatives of the Companies be contacted directly or indirectly in respect of the SSP, including diligence requests, without the prior written consent of the Monitor. Any such unauthorized contact or communication could result in exclusion from any or all of the SSP processes. For greater certainty, the foregoing provision is not intended to prevent or restrict the Debtor or its affiliates and representatives from meeting or communicating with any Stalking Horse Bidder, in a capacity other than as a Stalking Horse Bidder, or any party related thereto regarding matters that do not relate to the SSP.
35. Other than as specifically set forth in the Stalking Horse Agreements or in a definitive agreement between the Companies and the Successful Bidder under a Superior Transaction, the SSP does not, and will not be interpreted to create any contractual or other

legal relationship among the Debtor, the Monitor, any Potential Bidder, Interested Party, Bidder, Qualified Bidder, the Successful Bidder, or any other party.

36. Subject to the terms of the Initial Order and any entitlement of the Stalking Horse Bidder to a Stalking Horse Expense Reimbursement, participants in the SSP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Final Bid, participation in the SSP, Auction, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

SCHEDULE “A”- REFERENCES AND DEFINITIONS

In this document, unless the context otherwise required, words importing the singular include the plural and vice versa. Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Initial Order. Except where otherwise expressly provided, all dollar reference amounts are to Canadian dollars.

The terms below shall have the following meaning given to them:

- (a) **“Accepted Bid”** has the meaning given to it in paragraph 27;
- (b) **“Air Tindi Transaction”** means the transaction contemplated by the ATL Stalking Horse Agreement or any other transaction under the ATL Stalking Horse Agreement or any improved bid pursuant to the process set out herein;
- (c) **“Approval Motion”** the Debtor’s motion or motions to be filed with the Court seeking one or more orders to approve the Accepted Bids;
- (d) **“ATL”** means Air Tindi Ltd.;
- (e) **“ATL Property”** has the meaning given to it in the Introduction;
- (f) **“ATL Shares”** means 1870 issued and outstanding Class A common shares in the capital of ATL, being 100% of the issued and outstanding shares of ATL;
- (g) **“ATL SSP”** the sale and solicitation process to solicit bids for the ATL Property as set out herein;
- (h) **“ATL Stalking Horse Agreement”** means the stalking horse agreement between the Debtor and the Northern Stalking Horse Bidder dated as of ■, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the ATL Property;
- (i) **“Auction”** means an auction conducted pursuant to this SSP pursuant to the Auction Procedures;
- (j) **“Auction Location”** has the meaning given to it in paragraph 1 of the Auction Procedures;
- (k) **“Auction Procedures”** mean the auction procedures set out in Schedule “D” hereto;
- (l) **“Backup Bid”** has the meaning given to it in paragraph 13 of the Auction Procedures;

- (m) “**Backup Bidder**” has the meaning given to it in paragraph 13 of the Auction Procedures;
- (n) “**Bid Deadline**” has the meaning given to it in paragraph 19;
- (o) “**Bid Termination Date**” has the meaning given to it in paragraph 21(a);
- (p) “**Bidder**” has the meaning given to it in paragraph 12;
- (q) “**Business Day**” means any day, other than Saturday or Sunday, on which the principal commercial banks in Toronto are open for commercial banking business during normal banking hours;
- (r) “**CCAA**” has the meaning given to it in the Introduction;
- (s) “**CCAA Proceeding**” has the meaning given to it in the Introduction;
- (t) “**Closing Date Deadline**” has the meaning given to it in paragraph 21(q);
- (u) “**CIM**” means a confidential information memorandum to be prepared by the Monitor in connection with a SSP;
- (v) “**Companies**” means the Debtor, Top Aces, Top Aces Holdco, GSH, ATL and DMS;
- (w) “**Court**” has the meaning given to it in the Introduction;
- (x) “**Credit Bid**” means a bid that provides for all or part of the consideration to be paid to be satisfied by way of a credit bid of secured indebtedness of the Debtor;
- (y) “**Data Rooms**” the electronic data rooms to be established by the Monitor in connection with the SSP;
- (z) “**Deposit**” has the meaning given to it in paragraph 21(c);
- (aa) “**Debtor**” has the meaning given to it in the Introduction;
- (bb) “**Discovery Mining Transaction**” means the transaction contemplated by the DMS Stalking Horse Agreement or any other transaction under the DMS Stalking Horse Agreement or any improved bid pursuant to the process set out herein;
- (cc) “**DMS**” means Discovery Mining Services Ltd.
- (dd) “**DMS Property**” has the meaning given to it in the Introduction;

- (ee) “**DMS Shares**” means 22,883,047 issued and outstanding Class A common shares in the capital of DMS, being 100% of the issued and outstanding shares of DMS;
- (ff) “**DMS SSP**” the sale and solicitation process to solicit bids for the DMS Property as set out herein;
- (gg) “**DMS Stalking Horse Agreement**” means the stalking horse agreement between the Debtor and the Northern Stalking Horse Bidder dated as of ■, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the DMS Property
- (hh) “**Final Bid**” has the meaning given to it in paragraph 19;
- (ii) “**Final Bid Criteria**” has the meaning given to it in paragraph 20;
- (jj) “**Great Slave Transaction**” means the transaction contemplated by the GSH Stalking Horse Agreement or any other transaction under the GSH Stalking Horse Agreement or any improved bid pursuant to the process set out herein;
- (kk) “**GSH**” means Great Slave Helicopters Ltd.;
- (ll) “**GSH Property**” has the meaning given to it in the Introduction;
- (mm) “**GSH Shares**” means (i) 157,891,795 issued and outstanding Class A common shares; (ii) 1,111 issued and outstanding Class D common shares; (iii) 40,000,000 issued and outstanding Class E common shares; (iv) 7,624 issued and outstanding Class F Preferred shares; (v) 11,072 issued and outstanding Class G Preferred shares; and (vi) 14,400 issued and outstanding Class H Preferred shares issued and outstanding common shares in the capital of GSH, being 100% of the issued and outstanding shares of GSH;
- (nn) “**GSH SSP**” the sale and solicitation process to solicit bids for the GSH Property as set out herein;
- (oo) “**GSH Stalking Horse Agreement**” means the stalking horse agreement between the Debtor and the Northern Stalking Horse Bidder dated as of ■, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the GSH Property;
- (pp) “**Holdco Shares**” means 253.83602 issued and outstanding Class A common shares in the capital of Top Aces Holdco being 100% of the shares of Top Aces Holdco owned by the Debtor;
- (qq) “**Initial Order**” has the meaning given to it in the Introduction;
- (rr) “**Interested Party**” has the meaning given to it in paragraph 11;

- (ss) “**Potential Bidders**” has the meaning given to it in paragraph 6;
- (tt) “**Leading Bid**” has the meaning given to it in paragraph 11 of the Auction Procedures;
- (uu) “**Monitor**” has the meaning given to it in the Introduction;
- (vv) “**Monitor’s Website**” means the Monitor’s website at www.ksvadvisory.com/insolvency-cases/discovery-air;
- (ww) “**NDA**” one or more forms of non-disclosure agreement to be used in connection with the solicitation of bids in this SSP;
- (xx) “**Northern SSP**” means collectively the GSH SSP, ATL SSP and DMS SSP;
- (yy) “**Northern Transactions**” means the Great Slave Transaction, Air Tindi Transaction and Discovery Mining Transaction;
- (zz) “**Northern Stalking Horse Bidder**” means 10671541 Canada Inc.;
- (aaa) “**Northern Stalking Horse Agreements**” means the GSH Stalking Horse Agreement, ATL Stalking Horse Agreement and DMS Stalking Horse Agreement;
- (bbb) “**Notice**” has the meaning given to it in paragraph 6;
- (ccc) “**Notification Date**” has the meaning given to it in paragraph 25;
- (ddd) “**Opportunity**” has the meaning given to it in paragraph 1;
- (eee) “**Overbid**” has the meaning given to it in paragraph 9 of the Auction Procedures;
- (fff) “**Property**” means the Top Aces Property, GSH Property, ATL Property and/or the DMS Property as the context may require;
- (ggg) “**Purchase Agreements**” means the template forms of purchase agreements to be placed in the Data Rooms upon which Bidders are to make Sale Proposals;
- (hhh) “**Qualified Bid**” has the meaning given to it in paragraph 24;
- (iii) “**Qualified Bidder**” has the meaning given to it in paragraph 24;
- (jjj) “**Sale Proposal**” has the meaning given to it in paragraph 19;
- (kkk) “**SSP**” means this sale and solicitation process document and the processes set out herein including without limitation the Top Aces SSP, GSH SSP, ATL SSP or DMS SSP or any one of them as the context may require;

- (lll) “**SSP Motion**” has the meaning given to it in the Introduction;
- (mmm) “**SSP Order**” has the meaning given to it in the Introduction;
- (nnn) “**Stalking Horse Agreements**” means the Top Aces Stalking Horse Agreement and the Northern Stalking Horse Agreement;
- (ooo) “**Stalking Horse Bidder**” means the Top Aces Stalking Horse Bidder and the Northern Stalking Horse Bidder;
- (ppp) “**Starting Bid**” has the meaning given to it in paragraph 7 of the Auction Procedures;
- (qqq) “**Subsequent Bid**” has the meaning given to it in paragraph 4 of the Auction Procedures;
- (rrr) “**Successful Bidder**” has the meaning given to it in paragraph 27;
- (sss) “**Superior Transaction**” has the meaning given to it in paragraph 28;
- (ttt) “**Teaser Letter**” means the process summary letters to be prepared by the Monitor in connection with the SSP;
- (uuu) “**Top Aces**” means Top Aces Inc. (formerly known as Discovery Air Defence Services Inc.);
- (vvv) “**Top Aces Holdco**” means Top Aces Holdings Inc.;
- (www) “**Top Aces Property**” has the meaning given to it in the Introduction;
- (xxx) “**Top Aces SSP**” the sale and solicitation process to solicit bids for the Top Aces Property as set out herein;
- (yyy) “**Top Aces Stalking Horse Agreement**” means the stalking horse agreement between the Debtor and the Top Aces Stalking Horse Bidder dated as of ■, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the Top Aces Property;
- (zzz) “**Top Aces Stalking Horse Bidder**” means, collectively, CEP IV Co-Investment Limited Partnership, Clairvest Equity Partners IV Limited Partnership, Clairvest Equity Partnership IV-A Limited Partnership, DA Holdings Limited Partnership and G. John Krediet;
- (aaaa) “**Top Aces Transaction**” means the transaction contemplated by the Top Aces Stalking Horse Agreement or any other transaction under the Top Aces Stalking Horse Agreement or any improved bid pursuant to the process set out herein;

(bbb) "**Transactions**" means the Top Aces Transaction, Great Slave Transaction, Air Tindi Transaction and/or Discovery Mining Transaction.

SCHEDULE "B"

Acknowledgement of the Sale and Solicitation Process

TO: Discovery Air Inc.

AND TO: KSV Kofman Inc. in its capacity as monitor in the CCAA proceedings of Discovery Air Inc.

RE: Sale and Solicitation Process in respect of the following Transaction(s) [*check all that apply*]:

- Top Aces Transaction
 - Great Slave Transaction
 - Air Tindi Transaction
 - Discovery Mining Transaction
-

The undersigned hereby acknowledges receipt of the sale and solicitation process approved by the Order of the Honourable Justice ■ of the Ontario Superior Court of Justice (Commercial List) dated ■, 2018 (the "SSP") and that compliance with the terms and provisions of the SSP is required in order to participate in the SSP and for any Final Bid (as defined in the SSP) to be considered by the Monitor.

This ___ day of _____, 2018.

[Insert Interested Party name]

Per:
Email Address:

SCHEDULE "C" – ADDRESSES FOR NOTICES

KSV Kofman Inc.

Court-Appointed Monitor in Discovery Air Inc.'s CCAA proceedings

150 King Street West

Suite 2308, Box 42

Toronto ON M5H 1J9

Attention: Bobby Kofman & David Sieradzki

Email: bkofman@ksvadvisory.com / dsieradzki@ksvadvisory.com

-with copies to-

Goldman Sloan Nash & Haber LLP

Lawyers for the Debtor

1600-480 University Avenue

Toronto, ON M5G 1V2

Attention: Michael Rotsztain and Jennifer Stam

Email: rotsztain@gsnh.com / stam@gsnh.com

Goodmans LLP

Lawyers for the Monitor

Bay Adelaide Centre

333 Bay Street, Suite 3400

Toronto ON M5H 2S7

Attention: Joe Latham

Email: jlatham@goodmans.ca

SCHEDULE "D" - AUCTION PROCEDURES

1. The Auctions for each SSP, if any, shall be conducted by the Monitor, commencing on June 14, 2018, at 10:00 a.m. (Toronto time) at the offices of Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, ON, M5H 2S7 or such other location as the Monitor may choose in advance of the commencement of an Auction (the "**Auction Location**"). No later than 24 hours prior to the scheduled date of the Auction, the Monitor shall communicate any change in the Auction Location from the offices of Goodmans LLP to another location to all applicable Qualified Bidders in writing and post notice of such change in location at the offices of Goodmans LLP and on the Monitor's Website.
2. To the extent that the Monitor is to conduct multiple Auctions, it may choose to conduct such Auctions concurrently or consecutively in its discretion. Any delay or postponement of the commencement of an Auction shall be communicated in accordance with paragraph 26 of the SSP.
3. Unless otherwise ordered by the Court or consented to in writing by the Monitor, only the authorized representatives and professional advisors of the Monitor, the Companies, the applicable Stalking Horse Bidder, and each other Qualified Bidder invited to an Auction shall be eligible to attend an Auction and make any Subsequent Bid (as defined below) at an Auction. Administrative personnel, including, without limitation, a court reporter or similar official, will also attend an Auction at the invitation of the Monitor.
4. At an Auction, all applicable Qualified Bidders (including a Stalking Horse Bidder) shall be permitted to increase their Qualified Bids in accordance with the procedures set forth herein (each, a "**Subsequent Bid**"). All Subsequent Bids presented during an Auction shall be made and received in one room on an open basis. All participating Qualified Bidders shall be entitled to be present for all bidding with the understanding that the true identity of each participating Qualified Bidder shall be fully disclosed to all other Qualified Bidders and that all material terms of each Subsequent Bid presented during an Auction will be fully disclosed to the participating Qualified Bidders throughout an entire Auction.
5. All Qualified Bidders must have at least one individual representative with authority to bind such Qualified Bidder present in person at the offices of Goodmans LLP during the Auction(s).
6. All proceedings at an Auction shall be transcribed.
7. At least two (2) days prior to an Auction, the Monitor will advise all Qualified Bidders for the applicable SSP which of the Qualified Bids (including a Stalking Horse Agreement) the Monitor has determined in its reasonable business judgment,

after consultation with its advisors and the Companies, constitutes the then highest or otherwise best Qualified Bid (the “**Starting Bid**”).

8. The Starting Bid will be deemed to be the first bid at the Auction and bidding at the Auction will continue, in one or more rounds of bidding, so long as during each round at least one Subsequent Bid is submitted by a Qualified Bidder that, in the reasonable business judgment of the Monitor improves upon the then Leading Bid and meets the Overbid requirement.
9. The first round of bidding at an Auction in respect of the following processes and transactions shall commence in the following increments:
 - (a) bidding in respect of the Top Aces Transaction shall commence in increments of \$■;
 - (b) bidding in respect of the GSH Transaction shall commence in increments of \$■
 - (c) bidding in respect of the ATL Transaction shall commence in increments of \$■; and
 - (d) bidding in respect of the DMS Transaction shall commence in increments of \$■,

(each, an “**Overbid**”). The Monitor shall be entitled to change the amount of Overbid in subsequent rounds of bidding at the Auction in its discretion.
10. Credit Bids will be permitted at an Auction, provided that the validity of such secured indebtedness has been confirmed by the Monitor prior to commencement of such Auction. Bidding shall continue until such time as the highest or best bid is determined by the Monitor, in its reasonable business judgment, after consultation with its advisors. The Monitor, in its sole discretion, shall have the right to modify the bidding increments at the commencement of any round of the Auction. For the purpose of evaluating the value of the consideration provided by each Subsequent Bid (including any Subsequent Bid by a Stalking Horse Bidder) presented at the Auction, the value will take into account the amount and priority of any Credit Bid and any liabilities to be assumed by a Qualified Bidder.
11. After the first round of bidding and between each subsequent round of bidding, the Monitor shall announce the Subsequent Bid that the Monitor has determined in its reasonable business judgment, after consultation with its advisors, to be the then highest or best bid (the “**Leading Bid**”). A round of bidding will conclude after each participating Qualified Bidder has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.

12. If no Qualified Bidder submits a Subsequent Bid (as determined by the Monitor) after a period of 30 minutes following the Monitor's acceptance of a Subsequent Bid as the Leading Bid, and the Monitor chooses not to adjourn an Auction, the Leading Bid shall be the Accepted Bid, whereupon such Auction will be concluded. The Monitor shall have the right, but not the obligation, to extend the time period to submit an offer.
13. If an Auction is conducted, the Monitor shall determine, in its reasonable business judgment after consultation with its advisors, the next highest or otherwise best Qualified Bid after the Accepted Bid (the "**Backup Bid**"). The Qualified Bidder which has submitted the Backup Bid will be designated as the "**Backup Bidder**". The Backup Bidder shall be required to keep its last submitted Subsequent Bid, or if it has not made a Subsequent Bid, its Qualified Bid (the "**Backup Bid**") open and irrevocable until the closing of the transaction with the Successful Bidder.
14. At or during an Auction, the Monitor, after consultation with its advisors, may employ and announce additional procedural rules that are fair and reasonable under the circumstances (e.g., the amount of time allotted to make Subsequent Bids) for conducting such Auction; provided, however, that such rules are (a) not inconsistent with the SSP or these Auction Procedures, the CCAA, any order of the Court entered in connection with the SSP or Auction Procedures and (b) disclosed to each Qualified Bidder at or during the Auction.

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

Court File No.:

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DISCOVERY AIR INC. (the "APPLICANT")

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

SSP APPROVAL ORDER

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Fax: 416-597-6477

Mario Forte (LSUC#: 27293F)
Tel: 416.597.6477
Email: forte@gsnh.com

Michael Rotsztain (LSUC#: 17086M)
Tel: 416.597.7870
Email: rotsztain@gsnh.com

Jennifer Stam (LSUC#: #46735J)
Tel: 416.597.5017
Email: stam@gsnh.com

Lawyers for the Applicant

Schedule 2.1(c)
Assigned Contracts

TAB D

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This is Exhibit "D" referred to in the
affidavit of Paul Bernards
sworn before me at Toronto
this 15 day of June, 2018


A Commissioner for taking Affidavits for Ontario

ASSET PURCHASE AGREEMENT (DISCOVERY MINING SERVICES)

DISCOVERY AIR INC.

as Seller

- and -

10671541 CANADA INC.

as Buyer

March 21, 2018

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of March 21, 2018

BETWEEN:

DISCOVERY AIR INC., a corporation incorporated under the laws of the Province of Ontario, and continued under the laws of Canada

(the “**Seller**”)

- and -

10671541 CANADA INC., a corporation existing under the laws of Canada

(the “**Buyer**”)

RECITALS:

- A. The Seller, through its subsidiaries, provides specialty aviation services to governments, airlines, and natural resource and other business customers, operating across Canada and in select locations internationally, including the United States, Bolivia, Australia, and Chile (together with any other business in which the Seller is engaged on the date hereof, the “**Business**”).
- B. The Seller legally and beneficially owns, as at the date hereof, 22,883,047 issued and outstanding Class A common shares in the capital of Discovery Mining Services Ltd. (“**DMS**”), as well as certain other property, assets and undertaking that are used in connection with the business conducted by DMS (the “**DMS Business**”).
- C. On March 21, 2018, the Seller commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”), and an initial order (the “**Initial CCAA Order**”) was granted by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), pursuant to which, *inter alia*, KSV Kofman Inc. was appointed as the monitor of the Seller (in such capacity, the “**Monitor**”).
- D. As at January 31, 2018, the Seller is indebted to CEP IV Co-Investment Limited Partnership, Clairvest Equity Partners IV Limited Partnership, Clairvest Equity Partners IV-A Limited Partnership, DA Holdings Limited Partnership and G. John Krediet (the “**Clairvest Convertible Debentureholders**”) pursuant to the Clairvest Convertible Debentures (as defined herein) in the aggregate principal amount of \$72,700,000 (such amount, together with all outstanding interest, fees and costs incurred relating thereto, at any given time, the “**Clairvest Secured Indebtedness Amount**”), which indebtedness is secured by the Clairvest Security Documents (as defined herein).
- E. Pursuant to the DIP Credit Agreement (as defined herein), CEP IV Co-Investment Limited Partnership, an affiliate of Clairvest, has agreed to provide a secured super-priority debtor-in-possession non-revolving credit facility of up to \$12,600,000 (the

indebtedness thereunder, including outstanding interest, fees and costs incurred relating thereto, at any given time, the “**Clairvest DIP Indebtedness Amount**”).

- F. The Buyer and the Clairvest Convertible Debentureholders are affiliates.
- G. The Seller wishes to sell, and the Buyer wishes to purchase as a “stalking horse bidder” pursuant to the Sale Procedures and the Sales Procedures Order (each, as defined herein), the Purchased Assets (as defined herein), subject to the terms and conditions of this Agreement.
- H. The Seller has determined that it is in the best interests of its stakeholders to enter into this Agreement, subject to the terms and conditions herein, and to consummate the transactions contemplated herein on the terms set forth herein.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Agreement,

- (a) “**affiliate**” of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly through one or more intermediaries, and “control” and any derivation thereof means the control by one Person of another Person in accordance with the following: a Person (“**A**”) controls another Person (“**B**”) where A has the power to determine the management and policies of B by contract or status (for example the status of A being the general partner of B) or by virtue of beneficial ownership of a majority of the voting interests in B; and for certainty and without limitation, if A owns shares to which are attached more than 50% of the votes permitted to be cast in the election of directors (or other Persons performing a similar role) of B, then A controls B for this purpose;
- (b) “**Agreement**” means this Asset Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and all attached Schedules and unless otherwise indicated, references to Articles, Sections and Schedules are to Articles, Sections and Schedules in this Agreement;
- (c) “**Applicable Law**” means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, restriction, by-law (zoning or otherwise), order, or any consent, exemption, approval or licence of any

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Governmental Authority, that applies in whole or in part to the Transaction, the Seller, the Buyer, the Business or any of the Purchased Assets;

- (d) **“Approval and Vesting Order”** means the form of Court order attached as Schedule “1.1(d)” hereto, with any amendments thereto to be acceptable to each of Seller and Buyer, each acting reasonably;
- (e) **“Assigned Contracts”** has the meaning given to such term in Section 2.1(c); and
- (f) **“Assumed Liabilities”** has the meaning given to such term in Section 2.2;
- (g) **“Business”** has the meaning given to such term in Recital A;
- (h) **“Business Day”** means any day, other than a Saturday or Sunday, on which the principal commercial banks in Toronto are open for commercial banking business during normal banking hours;
- (i) **“Buyer”** has the meaning given to such term in the preamble to this Agreement;
- (j) **“CCAA”** has the meaning given to such term in Recital C;
- (k) **“CCAA Proceedings”** has the meaning given to such term in Recital C;
- (l) **“Clairvest Convertible Debentureholders”** has the meaning given to such term in Recital D;
- (m) **“Clairvest Convertible Debentures”** means the convertible debentures issued by the Seller on September 23, 2011, and administered by Clairvest GP;
- (n) **“Clairvest Convertible Debentures Indebtedness Assumption Amount”** means the portion of the Clairvest Secured Indebtedness that is to be assumed by the Buyer in partial satisfaction of the Purchase Price, which amount shall be determined pursuant to Section 3.3;
- (o) **“Clairvest DIP Indebtedness Amount”** has the meaning given to such term in Recital E;
- (p) **“Clairvest DIP Indebtedness Assumption Amount”** means the portion of the Clairvest DIP Indebtedness Amount that is to be assumed by the Buyer in partial satisfaction of the Purchase Price, which amount shall be determined pursuant to Section 3.3;
- (q) **“Clairvest GP”** means Clairvest GP Manageco Inc.;
- (r) **“Clairvest Secured Indebtedness Amount”** has the meaning given to such term in Recital D;
- (s) **“Clairvest Security Documents”** means all documents, contracts and agreements pursuant to which Encumbrances have been created or granted to or for the

benefit of the debentureholders under the Clairvest Convertible Debentures and/or Clairvest GP to secure payment and performance of the Seller's obligations to the debentureholders under the Clairvest Convertible Debentures and/or Clairvest GP (including payment of the Clairvest Secured Indebtedness Amount), including debentures, general security agreements, pledges of equity, and aircraft-specific security, charging all or certain present and after-acquired assets, personal property and undertakings of the Seller;

- (t) **"Closing"** means the completion of the Transaction at the Closing Time;
- (u) **"Closing Date"** means July 31, 2018, or such later date as the Parties may agree in writing, acting reasonably;
- (v) **"Closing Documents"** means all contracts, agreements and instruments required by this Agreement to be delivered at or before the Closing;
- (w) **"Closing Time"** means 10:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place;
- (x) **"Confidential Information"** means non-public, confidential, personal or proprietary information which is furnished to a Party by the other Party, including, without limitation, information about identifiable individuals, any information relating to a Party and its Affiliates or any customer or supplier of a Party; provided that "Confidential Information" does not include information that:
 - (i) is or becomes generally available to the public other than as a result of disclosure in breach of this Agreement;
 - (ii) is received by a Party from a third party that obtained it lawfully and was under no duty of confidentiality;
 - (iii) was lawfully in a Party's possession prior to disclosure thereof by the other Party; or
 - (iv) was independently developed by a Party without use of, or reference to, the other Party's Confidential Information;
- (y) **"Contracts"** means contracts, licences, permits, leases, agreements, commitments, entitlements or engagements;
- (z) **"Court"** has the meaning given to such term in Recital C;
- (aa) **"Court Approval"** means the issuance of the Approval and Vesting Order by the Court;
- (bb) **"Court Orders"** has the meaning given to such term in Section 8.1(c);

- (cc) “**DIP Credit Agreement**” means the debtor-in-possession loan term sheet between CEP IV Co-Investment Limited Partnership and the Seller;
- (dd) “**DMS**” has the meaning given to such term in Recital B;
- (ee) “**DMS Business**” has the meaning given to such term in Recital B;
- (ff) “**DMS Shares**” has the meaning given to such term in Section 2.1(b);
- (gg) “**Encumbrance**” means any security interest, lien, prior claim, charge, hypothec, hypothecation, reservation of ownership, pledge, encumbrance, mortgage or adverse claim of any nature or kind;
- (hh) “**Excluded Liabilities**” has the meaning given to such term in Section 2.2;
- (ii) “**Final**” with respect to any order of any court of competent jurisdiction, means that leave to appeal or reconsideration shall not have been sought in respect of such order and that such order shall not have been stayed, appealed, varied (except with the consent of the Buyer and Seller) or vacated, and all time periods within which leave to appeal and reconsideration could at law be sought shall have expired and all time periods within which such order could at law be appealed shall have expired;
- (jj) “**Governmental Authority**” means any domestic or foreign government, regulatory authority, governmental department, agency, ministry, commission, bureau, court (including the Court), tribunal, judicial body, arbitral body, commission, stock exchange, board or other law, rule or regulation-making entity:
 - (i) having jurisdiction over the Seller, the Buyer, the Transaction or the Purchased Assets on behalf of any country, province, state, municipality or other geographical or political subdivision thereof; or
 - (ii) exercising or entitled to exercise any administrative, judicial, legislative, regulatory or Taxing Authority or power;
- (kk) “**Governmental Authorizations**” means the permits, licences, approvals and authorizations, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued to or held or required by the Seller relating to the Business or any of the Purchased Assets by or from any Governmental Authority;
- (ll) “**HST**” means the sales tax payable under the HST Legislation;
- (mm) “**HST Legislation**” means Part IX of the *Excise Tax Act* (Canada);
- (nn) “**IFRS**” means International Financial Reporting Standards;

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- (oo) “**including**” and “**includes**” shall be interpreted on an inclusive basis and shall be deemed to be followed by the words “without limitation”;
- (pp) “**Initial CCAA Order**” has the meaning given to such term in Recital C;
- (qq) “**Material Adverse Change**” or “**Material Adverse Effect**” means any change, development, effect, event, circumstance, fact or occurrence that, individually or in the aggregate with such other changes, developments, effects, events, circumstances, facts or occurrences, is, or would reasonably be expected to be, material and adverse to the business, properties, assets, liabilities (contingent or otherwise), condition (financial or otherwise), operations or results of operations of the Seller, the Business, the DMS Business and/or the Purchased Assets, or that prevents or materially delays or would reasonably be expected to prevent or materially delay the Seller from Closing; other than any change, development, effect, event, circumstance, fact or occurrence arising out of, attributable to or resulting from: (A) any action expressly required or permitted by this Agreement or relating to the Seller’s current financial condition, including the CCAA Proceedings; (B) general political, economic or financial conditions in Canada or elsewhere in the world; (C) any change generally affecting the industries in which the Business and/or the DMS Business is conducted (including changes in prices, costs of materials, labor, or shipping, general market prices, or regulatory changes in any such industry); (D) acts of terrorism or war (whether or not declared); (E) any changes to existing Applicable Law (including the interpretation thereof); (F) any changes to IFRS or the adoption, implementation or proposal of any new accounting principles; (G) hurricanes, earthquakes, storms, floods or other natural disasters, epidemics, pandemics, outbreak or escalation of hostilities, the declaration of war, acts or terrorism, or acts of God; (H) any action consented to by the Buyer; (I) any failure by the Seller to meet any projections or estimates (including internal projections or estimates) of revenues, earnings, working capital or performance for any period; or (J) material dispositions or change in financial circumstances from a sale under the Sale Procedures;
- (rr) “**Monitor**” has the meaning given to such term in Recital C;
- (ss) “**Monitor’s Certificate**” means the certificate filed with the Court by the Monitor certifying that the Monitor has received written confirmation, in form and substance satisfactory to the Monitor, from the Seller and the Buyer that: (i) all conditions to Closing set forth in Article 6 have been satisfied or waived; and (ii) the Buyer has paid, and the Seller has received, the Purchase Price;
- (tt) “**Parties**” means the Seller and the Buyer collectively, and “**Party**” means either the Seller or the Buyer, as applicable;
- (uu) “**Permitted Encumbrances**” means, with respect to the Purchased Assets:
 - (i) Encumbrances imposed by Applicable Law that rank in priority as at the Closing Date to the Encumbrances created by or resulting from the

Clairvest Security Documents, including, but not limited to: (i) any applicable Encumbrances in favour of mechanics, labourers, workmen, builders, contractors, suppliers of goods or services, or other similar Encumbrances incidental to construction, maintenance or repair operations; and (ii) any applicable purchase money security interests under applicable personal property security legislation; and

- (ii) other than for any restrictions in respect of the Transaction, any transfer restrictions on the DMS Shares;
- (vv) **“Person”** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;
- (ww) **“Purchase Price”** has the meaning given to such term in Section 3.1;
- (xx) **“Purchased Assets”** has the meaning given to such term in Section 2.1;
- (yy) **“Restricted Rights”** has the meaning given to such term in Section 2.3;
- (zz) **“Sale Procedures”** means the sale solicitation process scheduled to the Sale Procedures Order, with any amendments thereto to be acceptable to each of the Seller and the Buyer, each acting reasonably;
- (aaa) **“Sale Procedures Order”** means the form of Court order attached as Schedule “1.1(aaa)” hereto, with any amendments thereto to be acceptable to each of Seller and Buyer, each acting reasonably;
- (bbb) **“Seller”** has the meaning given to such term in the preamble to this Agreement;
- (ccc) **“Tax”** and **“Taxes”** means any and all:
 - (i) taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Authority, including those with respect to goods and services, harmonized sales, transfer, land transfer, use, real or personal property, and registration fees; and
 - (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority on or in respect of amounts of the type described in clause (i) above or this clause (ii);
- (ddd) **“Tax Act”** means the *Income Tax Act* (Canada), as amended and any relevant legislation of a province imposing tax similar to the *Income Tax Act* (Canada);

- (eee) “**Taxing Authority**” means any Governmental Authority, domestic or foreign, having jurisdiction over the assessment, determination, collection, or other imposition of any Tax;
- (fff) “**Transaction**” means, collectively, the of sale and purchase of the Purchased Assets pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the sale and purchase of the Purchased Assets;
- (ggg) “**Transfer Taxes**” has the meaning given to such term in Section 7.4(c);
- (hhh) “**Transition Services**” has the meaning given to such term in Section 7.6; and
- (iii) “**Transition Services Agreements**” has the meaning given to such term in Section 7.6.

1.2 Schedules

The schedules to this Agreement are an integral part of this Agreement.

<u>Schedule</u>	<u>Description</u>
Schedule 1.1(d)	Form of Approval and Vesting Order
Schedule 1.1(aaa)	Sale Procedures Order
Schedule 2.1(c)	Assigned Contracts

1.3 Statutes

Unless specified otherwise, reference in this Agreement to a statute refers to that statute as it may be amended, or to any restated or successor legislation of comparable effect.

1.4 Headings and Table of Contents

The inclusion of headings and a table of contents in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

1.5 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.6 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars.

1.7 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

1.8 Entire Agreement

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

1.9 Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by all Parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

1.10 Governing Law; Jurisdiction and Venue

This Agreement, the rights and obligations of the Parties under this Agreement, and any claim or controversy directly or indirectly based upon or arising out of this Agreement or the Transaction (whether based on contract, tort, or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof. The Parties consent to the exclusive jurisdiction and venue of the Court prior to a Final order of the Court terminating the CCAA Proceedings and thereafter to the Courts of Ontario for the resolution of any disputes arising under this Agreement. Each Party agrees that service of process on such Party as provided in Section 11.6 shall be deemed effective service of process on such Party.

ARTICLE 2 PURCHASE AND SALE

2.1 Agreement to Purchase and Sell Purchased Assets

Upon and subject to the terms and conditions of this Agreement, at the Closing the Seller shall sell, assign, transfer, convey and deliver, and the Buyer shall purchase, free and clear of all

Encumbrances other than the Permitted Encumbrances, all of the Seller's right, title and interest in, to and under, or relating to, the assets, property and undertaking, owned by the Seller and used solely in connection with or for the benefit of DMS and the DMS Business (collectively the "**Purchased Assets**"), including, without limitation, the following property, assets and undertaking:

- (a) *DMS Shares* – 22,883,047 issued and outstanding Class A common shares in the capital of DMS (the "**DMS Shares**"), together with any share certificates, powers of attorney, endorsements, rights to purchase or otherwise acquire or obtain any additional shares of, or equity in, DMS, including without limitation, any and all conversion rights in respect thereof, and transfer powers evidencing or in respect of the DMS Shares;
- (b) *Books and Records* – all original books and records, minute books, corporate seals, Tax records, taxpayer and other identification numbers and other documents relating thereto, and records otherwise relating to the organization, maintenance and existence of DMS as a Person or otherwise relating to the DMS Business or any administrative functions in respect thereof (including, without limitation, all books and records relating to any accounting, finance, payroll, human resource, and other administrative functions), and whether in hardcopy or electronic form;
- (c) *Assigned Contracts* – each of the Contracts relating to the DMS Business set out on Schedule 2.1(c) hereto, as such schedule may be amended by Buyer in its sole discretion prior to Closing to add or remove Contracts (provided, for greater certainty, that there shall be no change in the Purchase Price resulting from any such additions or deletions to the schedule) (the "**Assigned Contracts**");
- (d) *Intercompany and Certain Other Claims* – any and all debts, liabilities, obligations, causes of action and other claims that Seller may have against DMS and the officers and directors of DMS, whether presently existing or contingent, or otherwise based on facts in existence and knowable to the Seller as of the Closing Date; and
- (e) *Other Assets* – any other property, assets and undertaking of the Seller that are specifically identified by the Buyer on or before Closing and that relate solely to the conduct of the DMS Business (provided, for greater certainty, that there shall be no further increase in the Purchase Price resulting therefrom).

2.2 Assumption and/or Satisfaction of Liabilities

The Buyer shall assume and/or establish terms with the applicable lenders in respect of the principal debts of the Seller as of the Closing Date, and shall pay, discharge and perform, as the case may be, from and after the Closing Date the following liabilities and obligations of the Seller (collectively, the "**Assumed Liabilities**"):

- (a) *Obligations under Assigned Contracts, etc.* – all liabilities and obligations (including any cure costs but excluding any post-filing costs, such post-filing costs to be paid by the Seller) under or in respect of the Assigned Contracts;

- (b) *Clairvest Convertible Debentures Indebtedness Assumption* – liabilities and obligations under the Clairvest Convertible Debentures equal to the Clairvest Convertible Debentures Indebtedness Assumption Amount;
- (c) *CIBC Indebtedness* – all liabilities and obligations arising from, or in relation to, the Amended and Restated Credit Agreement among, *inter alia*, the Seller, the Canadian Imperial Bank of Commerce and DMS, as a guarantor, dated May 26, 2015;
- (d) *Element Indebtedness* – all liabilities and obligations arising from, or in relation to, an Aircraft Loan Agreement, dated as of January 31, 2014, as amended, and an Aircraft Loan Agreement, dated of March 31, 2014, each among, *inter alia*, the Seller, Element Financial Corporation and DMS, as a guarantor;
- (e) *RoyNat Indebtedness* – all liabilities and obligations arising from, or in relation to, an Aircraft Loan Agreement, dated as of March 26, 2012, as amended, among, *inter alia*, the Seller, RoyNat Inc. and DMS;
- (f) *Intercompany Obligations* – all liabilities and obligations arising from, or in relation to, intercompany transactions between the Seller and DMS; and
- (g) *Permitted Encumbrances* – all liabilities and obligations arising from, or in relation to, the Permitted Encumbrances,

but the Buyer shall not be liable for, or assume, any other obligations or liabilities of the Seller (all such other obligations or liabilities, the “**Excluded Liabilities**”).

2.3 Assignment of Purchased Assets

The Seller and the Buyer shall use their reasonable commercial efforts to obtain prior to the Closing Date any necessary consents or approvals in order to assign the Assigned Contracts. To the extent assignable and transferable to the Buyer, all Assigned Contracts shall be assigned by the Seller to the Buyer on Closing.

Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or transfer any Purchased Asset or any right thereunder if an attempted assignment or transfer of such Purchased Asset or right thereunder without the consent of a third Person would constitute a breach thereunder (“**Restricted Rights**”), unless: (i) such consent is obtained; or (ii) the assignment has been ordered by the Court. The Seller shall hold any such Restricted Rights in trust for the Buyer until such time as consent and/or approval has been obtained, to the extent applicable. If a consent to transferring the Restricted Rights to the Buyer is not obtained, or such assignment is not attainable, the Seller and the Buyer will cooperate and use their respective commercially reasonable efforts to implement a mutually agreeable arrangement pursuant to which the Buyer will obtain the benefits and assume the liabilities and obligations related to such Restricted Rights in accordance with this Agreement including, at the election and expense of the Buyer, applying to the Court before or after Closing for an order compelling the assignment and for related relief, including, without limitation, pursuant to Section 11.3 of the CCAA.

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The Seller and the Buyer shall use their reasonable commercial efforts to obtain prior to the Closing Date any necessary consents or approvals arising from, or in relation to, any change of control provisions in Contracts of DMS. If any such consent or approval is not obtained, or any such consent or approval is not attainable, the Seller and the Buyer will cooperate and use their respective commercially reasonable efforts to implement a mutually agreeable arrangement pursuant to which DMS will continue to enjoy the benefits of, and remain liable and obligated under, such Contracts of DMS, including, at the election and expense of the Buyer, applying to the Court before or after Closing for an order compelling, overriding, or obviating the need to obtain, any such approval or consent and for related relief.

In the event that the Transaction is subject to a consent requirement pursuant to any Contract of DMS so as not to be in breach of, or to otherwise permit the termination of, such Contract, the Seller and the Buyer shall use their reasonable commercial efforts to obtain any such consent on or before Closing.

To the extent that the Seller would incur any out-of-pocket costs and expenses after the Closing Time in order to comply with a specific obligation under this Section 2.3, the Seller shall not have to incur such out-of-pocket costs and expenses to comply with such obligation unless the Buyer shall have provided the Seller with the funds necessary to pay such out-of-pocket costs and expenses.

Notwithstanding the foregoing: (i) nothing in this Section 2.3 shall require the Seller to renew any Restricted Rights once they have expired; and (ii) any efforts required of the Seller pursuant to this Section 2.3 shall be strictly on an interim basis and in no event be required to continue for more than 120 days following the Closing Date.

2.4 Excluded Obligations

Other than the Assumed Liabilities, the Buyer shall not assume and shall not be liable, directly or indirectly, or otherwise responsible for any debts, liabilities or other obligations of the Seller to any Person.

2.5 “As is, Where Is”

The Buyer acknowledges and agrees that all of the Purchased Assets are being purchased on an “as is, where is” basis as they shall exist at Closing. Unless and solely to the extent expressly set forth in this Agreement, no representation, warranty or covenant is expressed or implied by the Seller, including any warranties as to title, encumbrances, description, merchantability or fitness for a particular purpose, environmental compliance, condition, quantity or quality, or in respect of any other matter or thing whatsoever concerning the Business, the DMS Business and/or the Purchased Assets or the right of the Seller to sell or assign the same. Without limiting the generality of the foregoing, any and all conditions, warranties, or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario), as amended, or similar legislation do not apply hereto and have been waived by the Buyer. This Section 2.5 shall not merge on Closing and is deemed incorporated by reference into all Closing Documents and deliveries.

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ARTICLE 3
PURCHASE PRICE AND RELATED MATTERS

3.1 Purchase Price

The purchase price payable by the Buyer to the Seller for the Purchased Assets (the “**Purchase Price**”) shall be: (i) the amount of the Clairvest DIP Indebtedness Assumption Amount; plus (ii) the Clairvest Convertible Debentures Indebtedness Assumption Amount, which amounts, in the aggregate, total \$5,000,000; plus (iii) the amount of the Assumed Liabilities (less each of the Clairvest DIP Indebtedness Assumption Amount and the Clairvest Convertible Debentures Indebtedness Assumption Amount). The Buyer shall satisfy the Purchase Price at the Closing Time by: (i) assuming liabilities and obligations under the DIP Credit Agreement equal to the Clairvest DIP Indebtedness Assumption Amount; (ii) assuming liabilities and obligations under the Clairvest Convertible Debentures equal to the Clairvest Convertible Debentures Indebtedness Assumption Amount; and (iii) assuming and/or providing for the satisfaction of the Assumed Liabilities (less each of the Clairvest DIP Indebtedness Assumption Amount and the Clairvest Convertible Debentures Indebtedness Assumption Amount).

On or before Closing, the Buyer shall have the right, but not the obligation, to assume additional Clairvest DIP Indebtedness Amounts and/or Clairvest Secured Indebtedness Amounts that are not otherwise assumed by the Buyer pursuant to the preceding paragraph.

3.2 Purchase Price Allocation Among Purchased Assets

The Purchase Price shall be allocated among each class of Purchased Assets as agreed by the Parties on or before Closing, acting reasonably. Such allocation shall be binding and the Buyer and the Seller shall each report the purchase and sale of the Purchased Assets for all tax purposes in a manner consistent with such allocation, and will complete and file all tax returns, designations, elections and filings that are necessary or desirable under the Tax Act to give effect to such allocations and shall not take any position or action inconsistent with such allocation.

3.3 Purchase Price Allocation Between Purchase Price Components

The Purchase Price (other than the Assumed Liabilities component described in Section 3.1(iii)) shall be allocated between the Clairvest Convertible Debentures Indebtedness Assumption Amount and the Clairvest DIP Indebtedness Assumption Amount, as determined by the Buyer, in its sole discretion, on or before Closing. Such allocation shall be binding and the Buyer and the Seller shall each report the purchase and sale of the Purchased Assets for all tax purposes in a manner consistent with such allocation, and will complete and file all tax returns, designations, elections and filings that are necessary or desirable under the Tax Act to give effect to such allocations and shall not take any position or action inconsistent with such allocation.

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ARTICLE 4
REPRESENTATIONS AND WARRANTIES BY THE SELLER

The Seller represents and warrants to the Buyer and acknowledges that the Buyer is relying upon the following representations and warranties in connection with its purchase of the Purchased Assets the matters set out below:

4.1 Existence

The Seller is duly incorporated, organized and existing under the laws of its jurisdiction of organization. DMS is duly organized and validly existing under the laws of its jurisdiction of organization.

4.2 Recitals

The Recitals hereto are true and correct as of the date of this Agreement.

4.3 Due Authorization and Enforceability of Obligations

Subject to Court Approval being obtained, the Seller has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of each of this Agreement, the Closing Documents and the consummation of the Transaction has been duly authorized by all necessary corporate action of the Seller. This Agreement has been, and at the Closing Time the Closing Documents will be, duly executed and delivered by the Seller and constitutes a valid and binding obligation of the Seller enforceable against it in accordance with its terms, as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

4.4 Right to Sell, and Title to, Purchased Assets

The Seller is the registered and/or beneficial owner of the Purchased Assets, with good and marketable title thereto. At the Closing, the Seller shall convey to the Buyer all of the Seller's right, title and interest in and to the Purchased Assets free and clear of all Encumbrances except for Permitted Encumbrances, except with respect to any Assigned Contracts for which consent of a third Person is required for an assignment of such Contract and has not been obtained at the Closing Time.

4.5 DMS Shares

Other than the Clairvest Convertible Debentureholders, the Canadian Imperial Bank of Commerce, Element Financial Corporation and RoyNat Inc., the DMS Shares have not been pledged by the Seller to any Person. The Seller does not hold and has not at any time granted to any Person: (i) any presently outstanding rights or privileges to acquire any unissued equity of DMS; (ii) any right to purchase or otherwise acquire all or any part of the DMS Shares; or (iii) any presently outstanding options, warrants, stock plans or other instruments convertible into equity or other securities of DMS or pursuant to which any Person may acquire equity or other securities of DMS.

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4.6 Absence of Conflicts

Except for Court Approval, the Seller is not a party to, bound or affected by or subject to any provision in its articles, by-laws or other constating documents or Applicable Laws or Governmental Authorizations that would be violated, breached by, or under which any default would occur or with notice or the passage of time would be created as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any Closing Documents to be entered into or delivered under the terms of this Agreement, except for any violations, breaches or defaults or any Applicable Laws or Governmental Authorizations that would not have a Material Adverse Effect on the conduct of the Business or on the ability of the Seller to consummate the Transaction.

4.7 Approvals and Consents

Except for: (a) Court Approval; (b) any consent required in connection with the assignment of any Assigned Contract or any Purchased Asset; and (c) any consent or approval arising from, or in relation to, any change of control provisions in Contracts of DMS, no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Seller and each of the Closing Documents to be executed and delivered by the Seller hereunder or the purchase of any of the Purchased Assets hereunder.

4.8 Residence of the Seller

The Seller is not a non-resident of Canada within the meaning of section 116 of the Tax Act.

4.9 HST Registration

The Seller is registered for purposes of HST Legislation and will provide its registration numbers to the Buyer.

4.10 Brokers

No broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Seller.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Seller as follows, and acknowledges that the Seller is relying upon the following representations and warranties in connection with its sale of the Purchased Assets:

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5.1 Existence

The Buyer is duly organized and validly existing under the laws of its jurisdiction of organization.

5.2 Recitals

The Recitals hereto are true and correct as of the date of this Agreement.

5.3 Due Authorization and Enforceability of Obligations

The Buyer has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action of the Buyer. This Agreement has been duly executed and delivered by the Buyer and constitutes a valid and binding obligation of the Buyer enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity. At the Closing Time, the Closing Documents required by this Agreement to be delivered by the Buyer will be duly executed and delivered by the Buyer and will constitute a valid and binding obligation of the Buyer enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

5.4 Absence of Conflicts

The Buyer is not a party to, bound or affected by or subject to any provision in its articles, by-laws or other constating documents or Applicable Laws or governmental authorizations, approvals, franchises, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority that would be violated, breached by, or under which any default would occur or with notice or the passage of time would, be created as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any other agreement or document to be entered into or delivered under the terms of this Agreement, except for any violations, breaches or defaults or any Applicable Laws or any governmental authorizations, approvals, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority, that would not have a material and adverse effect on the ability of the Buyer to consummate the transactions hereunder.

5.5 Approvals and Consents

Except for: (a) Court Approval; (b) any consent required in connection with the assignment of any Assigned Contract or any Purchased Asset; and (c) any consent or approval arising from, or in relation to, any change of control provisions in Contracts of DMS, no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this

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Agreement by the Buyer and each of the Closing Documents to be executed and delivered by the Buyer hereunder or the purchase of any of the Purchased Assets hereunder.

5.6 Residence of the Buyer

The Buyer is not a non-resident of Canada within the meaning of section 116 of the Tax Act.

5.7 HST Registration

The Buyer, or its assignee(s) acquiring the Purchased Assets, is, or at the Closing Time will be, registered for purposes of HST Legislation and will provide its registration numbers to the Seller.

5.8 Investment Canada Act

The Buyer is (a) either a “Canadian” or “WTO investor” within the meaning of the *Investment Canada Act*; and (b) is not a “state-owned enterprise” within the meaning of the *Investment Canada Act*.

5.9 No Additional Due Diligence

The Buyer acknowledges and agrees that: (a) it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets and the Business prior to the execution of this Agreement; (b) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets and/or the Business; (c) it is not relying upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied, (by operation of law or otherwise), regarding the Purchased Assets or the Business or the completeness of any information provided in connection therewith, except as expressly stated in this Agreement; and (d) the obligations of the Buyer under this Agreement are not conditional upon any additional due diligence.

5.10 Brokers

No broker, finder or investment banker is entitled to any brokerage commission, finder’s fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Buyer.

**ARTICLE 6
CONDITIONS**

6.1 Conditions for the Benefit of the Buyer and the Seller

The respective obligations of the Buyer and of the Seller to consummate the Transaction are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions for their mutual benefit:

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- (a) no provision of any Applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the Transaction pursuant to this Agreement shall have been issued and in effect;
- (b) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction;
- (c) the Sale Procedures Order shall have been issued and entered on or before April 4, 2018, or on or before such later date as the Parties agree to in writing, and shall be Final;
- (d) this Agreement is the Successful Bid (as defined in the Sale Procedures);
- (e) the Approval and Vesting Order shall have been issued and entered on or before June 28, 2018, or on or before such later date as the Parties agree to in writing, and shall be Final;
- (f) the Court shall not have permanently declined to grant the Approval and Vesting Order; and
- (g) the Buyer shall sign, and be bound by, the terms of all shareholders' agreements in respect of DMS.

If the conditions set out in this Section 6.1 are not satisfied, performed or mutually waived on or before the Closing Date, either Party shall have the option to terminate this Agreement upon written notice to the other Party.

6.2 Conditions for the Benefit of the Buyer

The obligation of the Buyer to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by the Buyer of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Buyer):

- (a) the representations and warranties of the Seller set forth in this Agreement shall be true and correct at the Closing Time with the same force and effect as if made at and as of such time, except where any failure or failures of any such representations and warranties to be so true and correct would not, individually or in the aggregate, cause a Material Adverse Change (and, for this purpose, any reference to "material", "Material Adverse Change" or any other concept of materiality in such representations and warranties shall be ignored);
- (b) the covenants contained in this Agreement to be performed by the Seller at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (c) after the date of this Agreement and before the Closing Time, there shall not have occurred any Material Adverse Change;

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- (d) the Buyer shall have received on Closing a certificate confirming the satisfaction of the conditions contained in Sections 6.2(a) and 6.2(b), signed for and on behalf of the Seller without personal liability by an executive officer of the Seller or other Persons reasonably acceptable to the Buyer, in each case in form and substance reasonably satisfactory to the Buyer;
- (e) the Closing Documents, all other documents relating to the due authorization and completion of the Transaction and all actions and proceedings taken on or prior to the Closing in connection with the performance by the Seller of its obligations under this Agreement shall be satisfactory to the Buyer, acting reasonably, and the Buyer shall have received copies of all such documents and evidence that all such actions and proceedings have been taken as it may reasonably request in form and substance reasonably satisfactory to the Buyer;
- (f) the Purchased Assets shall be assigned and transferred to the Buyer free and clear of all Encumbrances other than Permitted Encumbrances in accordance with the Approval and Vesting Order, and the releases or discharges of all Encumbrances other than Permitted Encumbrances against the Purchased Assets, including any Court-ordered charges in the CCAA Proceedings, shall have been obtained in form and substance satisfactory to the Buyer, acting reasonably;
- (g) if, in its sole discretion, the Buyer has required the entry into one or more Transition Services Agreements, then all such Transition Services Agreements shall have been entered into among the Buyer, the Seller, DMS and the Seller's other subsidiaries, or any combination thereof, each in form and substance acceptable to the Buyer, acting reasonably;
- (h) the Seller shall not have repudiated or terminated the Services Agreement made as of March 21, 2018, among the Seller and its subsidiaries, and shall not have ceased performing its obligations thereunder; and
- (i) since the date first written above, no Material Adverse Change shall have occurred.

Any condition in this Section 6.2 may be waived by the Buyer in whole or in part, without prejudice to its rights of termination in the event of non-fulfillment of any other condition in whole or in part. If any condition set out in this Section 6.2 is not satisfied, performed or waived on or prior to the date specified therefor, the Buyer may elect on written notice to the Seller to terminate this Agreement.

6.3 Conditions for the Benefit of the Seller

The obligation of the Seller to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver where applicable, by the Seller of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Seller):

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- (a) the representations and warranties of the Buyer set forth in this Agreement shall be true and correct in all material respects at the Closing Time with the same force and effect as if made at and as of such time;
- (b) the covenants contained in this Agreement to be performed by the Buyer at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (c) the Seller shall have received on Closing a certificate confirming the satisfaction of the conditions contained in Sections 6.3(a) and 6.3(b) signed for and on behalf of the Buyer without personal liability by an executive officer of the Buyer or other persons reasonably acceptable to the Seller, in each case in form and substance reasonably satisfactory to the Seller; and
- (d) all other Closing Documents required pursuant to this Agreement to be delivered by the Buyer on Closing in form and substance reasonably satisfactory to the Seller.

Any condition in this Section 6.3 may be waived by the Seller in whole or in part, without prejudice to its rights of termination in the event of non-fulfillment of any other condition in whole or in part. If any condition set out in this Section 6.3.2 is not satisfied, performed or waived on or prior to the date specified therefor, the Seller may elect on written notice to the Buyer to terminate this Agreement.

ARTICLE 7 ADDITIONAL AGREEMENTS OF THE PARTIES

7.1 Access to Information

Until the Closing Time, and subject to the terms and conditions of the Sale Procedures and the Sale Procedures Order, the Seller shall give to the Buyer's personnel engaged in the Transaction and their accountants, advisers, consultants and representatives during normal business hours reasonable access to its premises and to all of the books and records relating to the Business and the Purchased Assets, and the Seller shall furnish them with all such information relating to the Business and the Purchased Assets as the Buyer may reasonably request in connection with the Transaction, and shall coordinate reasonable access by the Buyer to the customers and suppliers of the Business. Notwithstanding anything in this Section 7.1 to the contrary, any such investigation shall be conducted upon reasonable advance notice and in such manner as does not materially disrupt the conduct of the Business. The Seller shall also deliver to the Buyer authorizations to Governmental Authorities necessary to permit the Buyer to obtain information in respect of the Purchased Assets from the files of such Governmental Authorities.

7.2 Covenant Regarding Confidential Information

On or prior to Closing, the Seller shall request any Person that was furnished Confidential Information of the Seller in accordance with the Sale Procedures to return or destroy all such information.

7.3 Further Assurances

Each of the Parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Parties hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use commercially reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement. Upon and subject to the terms and conditions of this Agreement and subject to the directions of any applicable courts to the Seller, the Parties shall use their commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary proper or advisable under Applicable Laws to consummate and make effective the Transaction, including using commercially reasonable efforts to satisfy the conditions precedent to the obligations of the Parties hereto.

7.4 Tax Matters

- (a) The Buyer and the Seller agree to use commercially reasonable efforts to furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance relating to the Purchased Assets as is reasonably necessary for the preparation and filing of any Tax return, claim for refund or other required or optional filings relating to Tax matters, for the preparation for and proof of facts during any Tax audit, for the preparation for any Tax protest, for the prosecution of any suit or other proceedings relating to Tax matters and for the answer to any governmental or regulatory inquiry relating to Tax matters.
- (b) For purposes of any Tax return related to the Transaction, the Buyer and, to the extent applicable, the Seller, agree to report the Transaction in a manner consistent with the Purchase Price allocation determined in accordance with Section 3.2, and the Buyer and the Seller shall not voluntarily take any action inconsistent therewith in any such Tax return, refund claim, litigation or otherwise, unless required by applicable Tax laws. The Buyer and the Seller shall each be responsible for the preparation of their own statements required to be filed under the Tax Act and other similar forms in accordance with applicable Tax laws.
- (c) All amounts payable by the Buyer to the Seller pursuant to this Agreement are exclusive of any HST, or any other federal, provincial, state or local or foreign value-added, sale, use, consumption, multi-staged, ad valorem, personal property, customs, excise, stamp, transfer, land or real property transfer, or similar Taxes, duties, or charges, or any recording or filing fees or similar charges (collectively, "**Transfer Taxes**"). All Transfer Taxes are the responsibility of and for the account of the Party required to pay such taxes under Applicable Laws. The Buyer and the Seller agree to cooperate to determine the amount of Transfer Taxes payable in connection with the Transaction. If the Seller is required by Applicable Law or by administration thereof to collect any applicable Transfer Taxes from the Buyer, the Buyer shall pay such amounts to the Seller concurrent with the payment of any consideration payable pursuant to this Agreement, and

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the Seller shall remit or account for such Transfer Taxes to the applicable Governmental Authority on a timely basis and otherwise in accordance with Applicable Laws.

- (d) The Seller shall not be required to deliver any certificates to the Buyer under section 6 of the Retail Sales Tax Act (Ontario) or under any similar provision contained in any other Applicable Law in respect of the Transfer Taxes.

7.5 Fees and Expenses

Except as expressly provided in this Agreement, all fees and expenses incurred in connection with the negotiation and settlement of this Agreement and the completion of the Transaction, including the fees and disbursements of counsel, financial advisors and accountants, shall be paid by the Person incurring such fees or expenses.

7.6 Transition Services

The Seller shall provide the Buyer with transition services relating to: (i) record keeping, financial, tax and other reporting obligations and other general administrative services as reasonably requested by the Buyer; and (ii) shared Contracts, services and assets both between the Seller and DMS and among the Seller, DMS and one or more of the Seller’s other subsidiaries, or between or among any combination of the foregoing parties (the “**Transition Services**”). The Buyer, in its sole discretion, may require that one or more agreements in respect of the Transition Services be entered into among the Buyer, the Seller, DMS and the Seller’s other subsidiaries, or any combination thereof, each in form and substance acceptable to the Buyer, acting reasonably, that are necessary or desirable for the operation of the DMS Business, including, without limitation, in the event that affiliates of the Buyer are not the successful bidders in other sales processes for the Seller’s assets conducted in the CCAA Proceedings (such agreements, the “**Transition Services Agreements**”).

**ARTICLE 8
COURT ORDERS**

8.1 Court Orders

- (a) As soon as reasonably possible after the execution of this Agreement, the Seller shall file a motion with the Court for the issuance of, and shall use its best efforts to obtain, the Sale Procedures Order. Such motion shall be scheduled for a date that is on or before April 4, 2018, subject to the availability of the Court.
- (b) Within the time period provided for in the Sale Procedures, and provided that the Buyer is the Successful Bidder (as defined in the Sale Procedures), the Seller shall file a motion with the Court for the issuance of, and shall use its best efforts to obtain, the Approval and Vesting Order. Such motion shall be scheduled for a date that is on or before June 28, 2018, subject to the availability of the Court.
- (c) The Buyer shall use its best efforts to obtain any order or relief described in Section 2.3 (such orders and relief, together with the Sale Procedures Order and

the Approval and Vesting Order, collectively, the “**Court Orders**”). The Buyer shall cooperate with the Seller acting reasonably, as may be necessary, in obtaining the Court Orders, as applicable.

- (d) The Buyer and its legal counsel shall be given a reasonable opportunity to review and comment on:
 - (i) the Seller’s motion materials for the issuance of the Sale Procedures Order; and
 - (ii) to the extent that the Buyer is the Successful Bidder, (A) the Seller’s motion materials for the issuance of the Approval and Vesting Order; and (B) any other materials prepared by the Seller in connection with obtaining the Court Orders (for greater certainty, not including any report or materials filed by the Monitor),

which shall be in form and substance satisfactory to the Buyer prior to being served.

- (e) Notice of the motions seeking the issuance and entry of the Court Orders shall be served by the Seller on all Persons required to receive notice under Applicable Laws and the requirements of the Court, and any other Person determined necessary or advisable by the Seller or the Buyer.

**ARTICLE 9
TERMINATION**

9.1 Termination

This Agreement may be terminated at any time prior to Closing upon the occurrence of any of the following:

- (a) by mutual written consent of the Seller and the Buyer;
- (b) if the Buyer is not the Successful Bidder, by either party upon the earlier of: (i) thirty (30) days after the Bid Deadline (as defined in the Sale Procedures); and (ii) approval by the Court of the Accepted Bid (as defined in the Sale Procedures), provided, however, in the event that the Buyer is the Backup Bidder (as defined in the Sale Procedures), the Buyer may not terminate this Agreement until the closing of the Transaction with the Successful Bidder (as defined in the Sale Procedures);
- (c) by either Party (provided such Party is not in breach of its obligations under this Agreement so as to have caused a closing condition not to be fulfilled), upon written notice to the other, if any condition in Section 6.1 is unsatisfied as of the Closing Date;

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- (d) by the Seller (provided that the Seller is not in breach of its obligations under this Agreement so as to have caused a closing condition not to be fulfilled), upon written notice to the Buyer, if any condition in Section 6.3 is unsatisfied on the Closing Date and such violation or breach has not been waived by the Seller or cured by the Buyer within three (3) Business Days after written notice thereof from the Seller to the Buyer; and
- (e) by the Buyer (provided that the Seller is not in breach of its obligations under this Agreement so as to have caused a closing condition not to be fulfilled), upon written notice to the Seller, if any condition in Section 6.2 is unsatisfied on the Closing Date and such violation or breach has not been waived by the Buyer or cured by the Seller within three (3) Business Days after written notice thereof from the Buyer to the Seller.

9.2 Effect of Termination

In the event of termination of this Agreement pursuant to Section 9.1, this Agreement shall forthwith become null and void, except as set forth in Section 9.2 and Article 11, and nothing herein shall relieve any Party from liability for any breach of this Agreement, or to impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement.

ARTICLE 10 CLOSING

10.1 Location and Time of Closing

The Closing shall take place at the Closing Time on the Closing Date at the Toronto, Ontario offices of Torys LLP, or at such other location as may be agreed upon in writing by the Parties hereto.

10.2 Closing Deliveries

- (a) At the Closing, the Seller shall deliver to the Buyer:
 - (i) the documents required to be delivered by the Seller pursuant to Sections 6.1 and 6.2;
 - (ii) the consents and approvals required to be obtained pursuant to Section 2.3;
 - (iii) one of more bills of sale or general or specific conveyances with respect to the conveyance of the Purchased Assets, in each case executed by the Seller;
 - (iv) to the extent required to be executed by the Seller, an instrument of assumption of liabilities with respect to the Assumed Liabilities;

- (v) actual possession of the Purchased Assets to the Buyer (including the DMS Shares); and
 - (vi) any other documents reasonably requested by the Buyer in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement.
- (b) At the Closing, the Buyer shall deliver to the Seller:
- (i) evidence of the satisfaction of the Purchase Price as provided for in Section 3.1, in form and substance satisfactory to the Seller, acting reasonably;
 - (ii) a document specifying the Purchase Price allocation for tax purposes, as provided for in Section 3.2;
 - (iii) a document specifying the allocation of the Purchase Price (other than the Assumed Liabilities component described in Section 3.1(iii)) between the Clairvest Convertible Debentures Indebtedness Assumption Amount and the Clairvest DIP Indebtedness Assumption Amount, as provided for in Section 3.3;
 - (iv) to the extent required to be executed by the Buyer, one of more bills of sale or general or specific conveyances with respect to the conveyance of the Purchased Assets;
 - (v) an instrument of assumption of liabilities with respect to liabilities and obligations under the DIP Credit Agreement equal to the Clairvest DIP Indebtedness Assumption Amount;
 - (vi) an instrument of assumption of liabilities with respect to liabilities and obligations under the Clairvest Convertible Debentures equal to the Clairvest Convertible Debentures Indebtedness Assumption Amount;
 - (vii) an instrument of assumption of liabilities with respect to, and/or an instrument providing for the satisfaction of, the Assumed Liabilities (less each of the Clairvest DIP Indebtedness Assumption Amount and the Clairvest Convertible Debentures Indebtedness Assumption Amount);
 - (viii) evidence of payment of Transfer Taxes required by Applicable Law to be collected by the Seller, or, alternatively, if applicable, the election(s) referred to in Section 7.4, executed by the Buyer;
 - (ix) the documents required to be delivered by the Buyer pursuant to Section 6.3; and

- (x) any other documents reasonably requested by the Seller in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement.

10.3 Monitor's Certificate

The Parties hereby acknowledge and agree that the Monitor will be entitled to file the Monitor's Certificate with the Court without independent investigation upon receiving written confirmation from the Seller and the Buyer that: (i) all conditions to Closing set forth in Article 6 have been satisfied or waived, and (ii) the Buyer has paid or satisfied, and the Seller has received or received the benefit of, the Purchase Price, and the Monitor will have no liability to the Seller or the Buyer or any other Person as a result of filing the Monitor's Certificate or otherwise in connection with this Agreement or the transactions contemplated hereunder (whether based on contract, tort or any other theory).

**ARTICLE 11
GENERAL MATTERS**

11.1 Confidentiality

- (a) Except to the extent otherwise specifically provided in this Section 11.1, each Party, on behalf of itself and its affiliates, agrees to keep the other Party's Confidential Information confidential and not to use the other Party's Confidential Information in any manner except as required to perform the obligations set out in this Agreement. Each Party agrees to be responsible for any breach of this Section 11.1 by any of its affiliates and its and their respective directors, employees, advisors, agents and representatives.
- (b) Notwithstanding anything to the contrary herein, each Party maintains the right to disclose the other Party's Confidential Information if required to do so by Applicable Laws or requirement of a Governmental Authority, or to appropriate Tax authorities in order to describe the tax treatment and tax structure of the Transaction; provided that the disclosure of such Confidential Information will be limited only to that purpose and provided further that it will use reasonable efforts to cooperate with the other Party in limiting the disclosure of the Confidential Information.
- (c) At the other Party's request, a Party will destroy all of the other Party's Confidential Information, provided that it is permitted to retain one copy of any Confidential Information to the extent required by Applicable Laws or its internal record keeping policies.
- (d) Any Confidential Information of the Seller that constitutes part of the Purchased Assets will cease to be Confidential Information of the Seller and will become Confidential Information of the Buyer on Closing.

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11.2 Public Notices

No press release or other announcement concerning the Transaction shall be made by the Seller or by the Buyer without the prior consent of the other (such consent not to be unreasonably withheld); provided, however, that subject to the last sentence of this Section 11.2, any Party may, without such consent, make such disclosure if the same is required by Applicable Law (including the CCAA Proceedings) or by any insolvency or other court or securities commission or other similar regulatory authority having jurisdiction over such Party or any of its affiliates, and, if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure. Notwithstanding the foregoing: (i) this Agreement may be filed by the Seller with the Court; (ii) the Transaction may be disclosed by the Seller to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Laws; and (iii) the Seller may communicate freely with the Monitor as and to the extent required in connection with the CCAA Proceedings, the Sale Procedure and the Court Orders. The Parties further agree that:

- (a) the Seller may prepare and file reports and other documents with the Court containing references to the Transaction and the terms thereof, including for the purpose of obtaining the Court Orders; and
- (b) the Seller and their professional advisors may prepare and file such reports and other documents in the CCAA Proceedings containing references to the Transaction and the terms thereof as may reasonably be necessary to complete the Transaction or to comply with their obligations in connection therewith. Wherever possible, the Buyer shall be afforded an opportunity to review and comment on such materials prior to their filing.

Each of the Parties may issue a press release announcing the execution and delivery of this Agreement, in form and substance mutually agreed to by all of the Parties.

11.3 Survival

The representations and warranties of the Seller in this Agreement or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transaction are set forth solely for the purpose of Section 6.2 and none of them shall survive Closing. The Seller shall have no liability, whether before or after the Closing, for any breach of the Seller's representations, and the Buyer acknowledges that its exclusive remedy for any such breach shall be termination of this Agreement prior to the Closing (but only if permitted by Section 9.1).

11.4 Non-Recourse

No past, present or future director, officer, employee, incorporator, member, partner, stockholder, affiliate, agent, attorney or representative of the respective Parties hereto, in such capacity, shall have any liability for any obligations or liabilities of the Buyer or the Seller, as applicable, under this Agreement or for any claim based on, in respect of, or by reason of, the Transaction.

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11.5 Assignment; Binding Effect

No Party may assign its right or benefits under this Agreement without the consent of the other Party hereto, except that without such consent the Buyer may: (i) assign any or all of its rights and obligations hereunder to one or more of its subsidiaries or affiliates; or (ii) direct that title to all or some of the Purchased Assets be transferred to one or more of its subsidiaries or affiliates, provided that no such assignment or direction shall relieve the Buyer of its obligations hereunder; provided further that if the Buyer shall have assigned all of its rights and obligations hereunder the Buyer shall, immediately following the Closing, be deemed fully released from all of the Buyer's obligations hereunder. References to the Buyer's residency for Tax purposes and to the Buyer's status under the Investment Canada Act are references to the ultimate Buyer. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third Person beneficiary rights in any Person or entity not a Party to this Agreement other than the third party beneficiaries of Section 11.4 hereof.

11.6 Notices

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (i) the date of personal delivery; (ii) the date of transmission by email, with confirmed transmission and receipt (if sent during normal business hours of the recipient, if not, then on the next Business Day); (iii) two days after deposit with a nationally-recognized courier or overnight service such as Federal Express; or (iv) five days after mailing via certified mail, return receipt requested. All notices not delivered personally or by facsimile will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

(a) If to the Buyer at:

c/o Clairvest Group Inc.
22 St. Clair Avenue East
Suite 1700
Toronto, Ontario M4T 2S3

Attention: James H. Miller, General Counsel and Corporate Secretary
Email: jmiller@clairvest.com

with copies (which shall not in itself constitute notice) to:

Torys LLP
TD Centre
79 Wellington Street West, 30th Floor
Toronto, Ontario M5K 1N2

Attention: David Bish / Adam Slavens
Email: dbish@torys.com / aslavens@torys.com

(b) If to the Seller at:

Discovery Air Inc.
170 Attwell Drive, Suite 370
Toronto, Ontario M9W 5Z5

Attention: David Kleiman
Email: david.kleiman@discoveryair.com

with copies (which shall not in itself constitute notice) to:

Goldman Sloan Nash & Haber LLP
480 University Ave Suite 1600
Toronto, Ontario M5G 1V2

Attention: Mario Forte / Michael Rotsztain
Email: forte@gsnh.com / rotsztain@gsnh.com

and to:

KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

Attention: Bobby Kofman / David Sieradzki
Email: bkofman@ksvadvisory.com / dsieradzki@ksvadvisory.com

with copies (which shall not in itself constitute notice) to:

Goodmans LLP
Bay Adelaide Centre – West Tower
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Attention: L. Joseph Latham
Email: jlatham@goodmans.ca

Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.


11.7 Counterparts; Facsimile Signatures

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Agreement by any of the Parties hereto may be evidenced by facsimile, scanned e-mail or internet transmission copy of this Agreement bearing such signature which, for all purposes, shall be deemed to be an original signature.

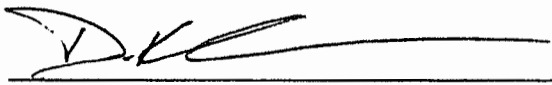
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IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

DISCOVERY AIR INC

By: 

Name:
Title:

By: 

Name:
Title:

10671541 CANADA INC.

By: _____

Name:
Title:

By: _____

Name:
Title:

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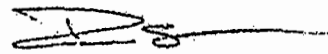
IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

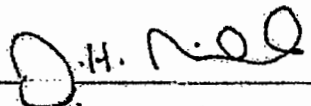
DISCOVERY AIR INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

10671541 CANADA INC.

By: 
Name: Daniel Cheng
Title: Chief Financial Officer

By: 
Name: JAMES MILLER
Title: CORPORATE SECRETARY

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Schedule 1.1(d)
Form of Approval and Vesting Order

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Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)
JUSTICE) DAY OF , 2018

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**APPROVAL AND VESTING ORDER
(Discovery Mining Services)**

THIS MOTION, made by Discovery Air Inc. (the "Applicant") for an order approving the sale transaction (the "Transaction") contemplated by an asset purchase agreement (the "Sale Agreement") between the Applicant and 10671541 Canada Inc. (the "Purchaser") dated ■, 2018, and appended to ■, and vesting in the Purchaser the Applicant's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING ■, filed, and on hearing the submissions of counsel for the Applicant, KSV Kofman Inc., in its capacity as the monitor of the Applicant (the "Monitor"), and the Purchaser, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ■ sworn ■, 2018, filed:

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1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Applicant is hereby authorized and approved, with such minor amendments as the Applicant and the Purchaser, with the consent of the Monitor, may agree upon pursuant to the Sale Agreement. The Applicant, with the consent of the Monitor, is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Monitor's Certificate"), all of the Applicant's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ■ dated ■, 2018 (the "Initial Order"); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal or movable property registry system in any provinces or territories in Canada, including, without limitation, under the Civil Code of Quebec; and (iii) any Excluded Liabilities (as defined in the Sale Agreement) (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "B" or the Assumed Liabilities (as defined in the Sale Agreement)). This Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that all counterparties to any Contract (as defined in the Sale Agreement) to which Discovery Mining Services Ltd. is a party or beneficiary, are prohibited

from exercising any right or remedy under such Contract, including, without limitation, any rights of termination, that arise as a result of, or otherwise relate to, the Transaction, the insolvency of the Applicant, the commencement of the Applicant's proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") or any relief granted in such proceedings (including, without limitation, the extension of a limited stay of proceedings to the Non-Applicant Subsidiaries (as defined in the Initial Order).

5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

7. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicant is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Applicant's records pertaining to the Applicant's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Applicant.

8. THIS COURT ORDERS that, notwithstanding:

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

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

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Schedule "A" - Form of Monitor's Certificate

Court File No.: _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**MONITOR'S CERTIFICATE
(Discovery Mining Services)**

RECITALS

A. Pursuant to an Order of the Honourable ■ of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated ■, 2018, KSV Kofman Inc. was appointed as the monitor (the "Monitor") of Discovery Air Inc. (the "Applicant").

B. Pursuant to an Order of the Court dated ■, 2018, the Court approved the agreement of purchase and sale made as of ■, 2018 (the "Sale Agreement") between the Applicant and 10671541 Canada Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Applicant's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 6 of the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

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C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Applicant has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 6 of the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

**KSV KOFMAN INC., in its capacity as
Monitor of Discovery Air Inc., and not in its
personal capacity**

Per: _____
Name:
Title:

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Schedule "B" – Permitted Encumbrances

Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

1. Encumbrances imposed by Applicable Law that rank in priority as at the Closing Date to the Encumbrances created by or resulting from the Clairvest Security Documents, including, but not limited to: (i) any applicable Encumbrances in favour of mechanics, labourers, workmen, builders, contractors, suppliers of goods or services, or other similar Encumbrances incidental to construction, maintenance or repair operations; and (ii) any applicable purchase money security interests under applicable personal property security legislation.
2. Other than for any restrictions in respect of the Transaction, any transfer restrictions on the TA Holdings Shares or the TA Shares.

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Schedule 1.1(aaa)

Sale Procedure Order

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Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEEKDAY, THE #
)
JUSTICE) DAY OF MONTH, 2018
)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

SSP APPROVAL ORDER

THIS MOTION, made by Discovery Air Inc. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, *inter alia*, approving a sale and solicitation process and certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicant, the affidavit of ■ sworn ■, 2018, and the Exhibits thereto (the "**■ Affidavit**"), the First Report of KSV Kofman Inc., in its capacity as Monitor (the "**Monitor**") dated ■, 2018, filed, and on hearing the submissions of counsel for the Applicant, the Monitor and [**Clairvest Group Inc.**], no one else appearing although duly served as appears from the Affidavit of Service of ■ sworn ■, 2018, filed:

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SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them under the sale and solicitation process attached hereto as Schedule “■” (the “SSP”).

APPROVAL OF STALKING HORSE AGREEMENTS

3. **THIS COURT ORDERS** that the execution, delivery, entry into, compliance with, and performance by the Applicant of each of the Top Aces Stalking Horse Agreement, GSH Stalking Horse Agreement, ATL Stalking Horse Agreement and DMS Stalking Horse Agreement (each, as defined in the ■ Affidavit, and, collectively the “**Stalking Horse Agreements**”), be and is hereby ratified, authorized and approved, *provided, however*, that nothing contained in this Order approves the sale or the vesting of any property, assets or undertaking of the Applicant to either of the Stalking Horse Bidders pursuant to any of the Stalking Horse Agreements and that, if any or all of the Stalking Horse Agreements are the Accepted Bid under the SSP, the approval of the sale and vesting of the assets contemplated to be sold thereunder to the applicable Stalking Horse Bidder shall be considered by this Court on a subsequent motion or motions made to this Court following completion of the SSP, all in accordance with the terms of the SSP.
4. **THIS COURT ORDERS** that the Stalking Horse Agreements be and are hereby approved and accepted solely for the purposes of constituting stalking horse bids under the SSP.
5. **THIS COURT DECLARES** that the Stalking Horse Bidders are parties to these proceedings.
6. **THIS COURT ORDERS** that the Stalking Horse Agreements shall not be rendered invalid or unenforceable and the rights and remedies of the Stalking Horse Bidders thereunder shall not otherwise be limited or impaired in any way by: (a) the Applicant’s CCAA proceedings and the declarations of insolvency made in connection therewith; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”),

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or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of security interests, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the execution, delivery or performance of the Stalking Horse Agreements shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party; and
- (b) the Stalking Horse Bidders shall not have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the Stalking Horse Agreements.

APPROVAL OF SSP

7. **THIS COURT ORDERS** that the SSP (subject to such non-material amendments as may be agreed to by the Monitor and the Stalking Horse Bidders (including all schedules thereto)) be and is hereby approved and the Monitor, the Applicant and the Non-Applicant Subsidiaries (as defined in the Initial Order) are hereby authorized and directed to take such steps as they deem necessary or advisable (subject to the terms of the SSP) to carry out the SSP, subject to prior approval of this Court being obtained before completion of any transaction(s) under the SSP.

8. **THIS COURT ORDERS** that the Monitor, the Applicant, the Non-Applicant Subsidiaries and their respective affiliates, partners, directors, employees, advisors, 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 their duties under the SSP, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or wilful misconduct of the Monitor, the Applicant, or the Non-Applicant Subsidiaries, as applicable, as determined by the Court.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Monitor, the Applicant and the Non-Applicant Subsidiaries (under the direction of the Monitor) are hereby authorized and permitted to disclose and transfer to each potential bidder (the “**Bidders**”) (including, without limitation, the Stalking Horse Bidders) and to their Representatives, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Companies’ records pertaining to the Companies’ past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale of the shares and assets contemplated by the Stalking Horse Agreements (a “**Sale**”). Each Bidder or Representative to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Sale, and if it does not complete a Sale, shall return all such information to the Monitor, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Monitor. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the Accepted Bid(s), shall be entitled to use the personal information provided to it that is related to the Property acquired pursuant to the SSP in a manner that is in all material respects identical to the prior use of such information by the relevant Company or Companies, and shall return all other personal information to the Monitor, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Monitor.

GENERAL

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or any other jurisdiction, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

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11. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

12. **THIS COURT ORDERS** that at any time during the SSP, the Monitor, the Applicant or any Stalking Horse Bidder may apply to the Court for directions with respect to the SSP.

SCHEDULE "A"

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SALE SOLICITATION PROCESS

Introduction

On March [21], 2018, Discovery Air Inc. (the "**Debtor**") commenced a proceeding (the "**CCAA Proceeding**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") before the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Pursuant to the initial order issued by the Court in the CCAA Proceeding (the "**Initial Order**"), KSV Kofman Inc. was appointed as monitor (the "**Monitor**") in the CCAA Proceeding.

The following Schedules are incorporated into this SSP: (a) Schedule "A" – References and Definitions; (b) Schedule "B" – Form of Acknowledgment of Sale Solicitation Process; (c) Schedule "C" – Addresses for Notice; and (d) Schedule "D" – Auction Procedures.

On ■, 2018, the Debtor brought a motion (the "**SSP Motion**") before the Court, for, among other things, an order (the "**SSP Order**") approving:

- (a) the Top Aces Stalking Horse Agreement pursuant to which the Top Aces Stalking Horse Bidder has agreed to: (i) purchase: (A) the Holdco Shares; (B) certain assets owned by the Debtor and used in the Top Aces business and/or shared between the Top Aces business and the businesses of GSH, ATL and DMS (together with the Holdco Shares, the ("**Top Aces Property**")); and (C) intercompany debt owing by Top Aces to the Debtor, if any and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness, if any;
- (b) the following Stalking Horse Agreements between the Debtor and the Northern Stalking Horse Bidder:
 - (i) the GSH Stalking Horse Agreement pursuant to which the Northern Stalking Horse Bidder has agreed to: (i) purchase: (A) the GSH Shares; (B) certain assets owned by the Debtor and used in the GSH business as more particularly described in the GSH Stalking Horse Agreement (together with the GSH Shares, the "**GSH Property**") (C) certain intercompany debt owing by GSH to the Debtor (the "**GSH Intercompany Debt**"); and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness of the Debtor;
 - (ii) the ATL Stalking Horse Agreement pursuant to which the Northern Stalking Horse Bidder has agreed to: (i) purchase: (A) the ATL Shares; (B) certain assets owned by the Debtor and used in the ATL business as more particularly described in the ATL Stalking Horse Agreement (together with the ATL Shares, the "**ATL Property**") (the "**ATL Intercompany Debt**"); and (C) certain intercompany debt owing by ATL to the Debtor; and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness owing by the Debtor;
 - (iii) the DMS Stalking Horse Agreement pursuant to which the Northern Stalking Horse Bidder has agreed to: (i) purchase: (A) the DMS Shares;

(B) certain assets owned by the Debtor and used in the DMS business as more particularly described in the DMS Stalking Horse Agreement (together with the DMS Shares, the “**DMS Property**”); and (C) certain intercompany debt owing by DMS to the Debtor, if any; and (ii) assume or otherwise satisfy certain liabilities and/or extinguish certain indebtedness owing by the Debtor; and

(c) this SSP.

On ■, 2018, the Court granted the SSP Order. The Monitor will conduct the SSP in accordance with the SSP Order.

Under the SSP, all qualified interested parties will be provided with an opportunity to participate in the SSP on the terms set out herein.

Commencement of the SSP and Identifying Bidders

1. The purpose of the SSP is to conduct certain processes to provide interested parties with opportunities to submit competing offers on an “as is, where is” basis to purchase: (a) the Top Aces Property; (b) the GSH Property, the GSH Intercompany Debt or all or substantially all of the assets of GSH; (c) the ATL Property, the ATL Intercompany Debt or all or substantially all of the assets of ATL; and (d) the DMS Property or all or substantially all of the assets of DMS (each, an “**Opportunity**”). The SSP shall apply to each of the Opportunities and the related processes and transactions, including without limitation, the Top Aces Transaction, GSH Transaction, ATL Transaction and DMS Transaction.
2. Any sales pursuant to this SSP will be without surviving representations or warranties of any kind, nature, or description by the Monitor, the Companies or any of their respective directors, officers, agents, advisors or other representatives unless otherwise agreed in a definitive agreement.
3. All of the Debtor’s right, title and interest in and to any of the Property or other assets to be sold pursuant to any Transactions will be sold free and clear of the pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon as set out in the Court order approving such sale unless specifically permitted to continue pursuant to the terms of the Accepted Bid.

Timeline

4. The following table sets out the key milestones and deadlines under the SSP:

Milestone	Deadline (Top Aces SSP)	Deadline (GSH SSP)	Deadline (ATL SSP)	Deadline (DMS SSP)
Commencement SSP	April 4, 2018	April 4, 2018	April 4, 2018	April 4, 2018
Bid Deadline	May 21, 2018	June 4, 2018	June 4, 2018	June 4, 2018

Auction	May 31, 2018	June 14, 2018	June 14, 2018	June 14, 2018
Closing Date Deadline	July 31, 2018	July 31, 2018	July 31, 2018	July 31, 2018

Solicitation of Interest: Notice of the SSP

5. The Debtor will issue a press release providing notice of the SSP and any such other relevant information as the Debtor and Monitor consider appropriate (a “**Notice**”) with Canada Newswire for designated dissemination in Canada and major financial centres in the United States.
6. The Monitor shall be entitled, but not obligated, to arrange for a Notice to be published in *The Globe and Mail* (National Edition), and any other newspaper or industry journals as the Monitor considers appropriate, if any, if it believes that such advertisement would be useful in the circumstances.
7. The Monitor has prepared:
 - (a) a list of potential financial bidders who may be interested in a Top Aces Transaction and a list of potential financial and strategic bidders who may be interested in any or all of the Northern Transactions (collectively, “**Potential Bidders**”);
 - (b) Teaser Letters describing the Opportunities, outlining the processes under the Top Aces SSP and Northern SSP, respectively, and inviting recipients of the Teaser Letters to express their interest pursuant to the applicable SSP or SSPs;
 - (c) a form of NDA; and
 - (d) two CIMs describing the Opportunities, which will be made available by the Monitor to Bidders (as defined below).
8. The Monitor has established Data Rooms in respect of the various SSPs which Data Rooms may continue to be updated from time to time during the SSP process.
9. The Monitor may consult with, or seek the assistance or cooperation of, the Companies with respect to the activities described in paragraphs 6, 6 and 8 above.
10. The Monitor will send the applicable Teaser Letter(s) and applicable form or forms of NDA to all applicable Potential Bidders as soon as reasonably practicable after the granting of the SSP Order and to any other party who requests a copy of a Teaser Letter and NDA or who is identified by the Debtor or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Delivery of CIMs

11. Any party who wishes to participate in one or more of the SSPs (an “**Interested Party**”) including any Potential Bidder, must provide to the Monitor:

- (a) a NDA executed by it, and a letter setting forth the identity of the Interested Party, the contact information for such Interested Party and full disclosure of the direct and indirect principals of the Interested Party;
 - (b) an acknowledgment of the applicable SSP or SSPs in which the Interested Party wishes to participate, in the form attached hereto as Schedule "B"; and
 - (c) such form of financial disclosure and credit quality support or enhancement that allows the Monitor to make a reasonable determination as to the Interested Party's financial and other capabilities to consummate a Sale Proposal.
12. If it is determined by the Monitor, in its reasonable business judgment, that an Interested Party: (i) has delivered the documents contemplated in paragraph 11 above; and (ii) has the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale pursuant to the SSP or SSPs in which the Interested Party is interested, then such Interested Party will be deemed to be a "**Bidder**". For greater certainty, the Monitor may, in its reasonable business judgment, determine that an Interested Party may be deemed a Bidder in one SSP but not another.
13. The Monitor will provide each Bidder with a copy of the applicable CIM(s) and access to any corresponding Data Rooms. Bidders and Qualified Bidders (as defined in paragraph 24 below) must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in any of the SSPs and any transaction they enter into with the Debtor. The Companies, the Monitor and their respective directors, officers, agents and advisors make no representation or warranty as to the information (i) contained in any of the CIMs or the Data Rooms; (ii) provided through the due diligence process or otherwise made available pursuant to any of the SSPs; or (iii) otherwise made available to a Potential Bidder, Interested Party, Bidder or Qualified Bidder, except to the extent expressly contemplated in any definitive sale with the Successful Bidder (as defined below) duly executed and delivered by the Debtor and approved by the Court.
14. At any time during the SSP, the Monitor may, in its reasonable business judgment, eliminate a Bidder from any of the SSPs, in which case such party will no longer be a Bidder for the purposes of such SSP, provided however, this provision does not apply to either of the Stalking Horse Bidders. For greater certainty, the Monitor may, in its reasonable business judgment, eliminate a Bidder participating in multiple SSPs from one but not other SSPs.
15. None of the Companies nor any of its affiliates, shall meet or communicate with a Potential Bidder, Interested Party, Bidder or Qualified Bidder, including the Stalking Horse Bidders, in respect of the Stalking Horse Bids, regarding any Transaction or Opportunity without (a) informing the Monitor and (b) allowing the Monitor the right and opportunity to participate in such meeting, management presentation or communication. In the event a disagreement arises between the Debtor and the Monitor with respect to any matters related directly or indirectly to this SSP, the Monitor, unless otherwise ordered by the Court, shall have the sole authority to make a final decision with respect to such matters.

16. Representatives of the Debtor shall not communicate the identities of any Interested Parties or information in respect of any bids or transaction documents to representatives of either of the Stalking Horse Bidders, whether in that capacity or any other capacity unless and until the identity of the Qualified Bidders are exchanged with all other Qualified Bidders at Auction. For greater certainty, the foregoing provision is not intended to prevent or restrict the Companies from meeting or communicating with either of the Stalking Horse Bidders or any party related thereto regarding matters that do not relate to the SSP.
17. The Monitor, with the Debtor's assistance, shall afford each Bidder such access to applicable due diligence materials and information pertaining to the applicable SSP or SSPs as the Monitor deems appropriate in its reasonable business judgment. Due diligence access may include management presentations, access to the Data Room(s), on-site inspections, and other matters which a Bidder may reasonably request and which the Monitor deems appropriate. The Monitor will designate one or more representatives to coordinate all reasonable requests for additional information and due diligence access from each Bidder and the manner in which such requests must be communicated. Neither the Debtor nor the Monitor will be obligated to furnish any information relating to the Property to any person other than to Bidders. For the avoidance of doubt, selected due diligence materials may be withheld from certain Bidders if the Monitor determines such information to represent proprietary or sensitive competitive information.

Formal Offers and Determination of Qualified Bids

18. Bidders will be able to refer to template Purchase Agreements (which will be based on the Stalking Horse Agreements) placed in the Data Rooms.
19. Bidders that wish to make a formal offer within one or more of the SSPs (a "**Sale Proposal**") must submit offers to the Monitor so as to be received by the Monitor not later than 5:00 PM (Toronto Time) on **[June 4]**, 2018, (the "**Bid Deadline**"). All offers in respect of the applicable Property must be in the form of a duly authorized and executed Purchase Agreement with any changes disclosed in a comparison against the template Purchase Agreement, if applicable, (a "**Final Bid**") at each of the addresses specified in Schedule "C" hereto and may be submitted by email and/or hard copy delivery. Bidders who wish to submit a Sale Proposal for the assets of any or all of GSH, ATL and/or DMS may submit any such Sale Proposal in a separate form of asset purchase agreement reflecting terms consistent with an insolvency transaction, including without surviving representations and warranties. For greater certainty, Bidders must submit a separate Purchase Agreement or asset purchase agreement for each SSP in which the Bidder is making a Sale Proposal.
20. The Monitor, in consultation with the Debtor, may modify the Bid Deadline with respect to some or all of the SSPs. Any such modification shall be communicated to all Bidders for the applicable SSP in writing and posted on the Monitor's Website.
21. In order to be considered a Final Bid, a Sale Proposal shall include the following terms (collectively, the "**Final Bid Criteria**"):

- (a) Subject to subsection (b) below, that the bid is binding and irrevocable until the earlier of (i) 30 days after the Bid Deadline and (ii) approval by the Court of the Accepted Bid (the “**Bid Termination Date**”);
- (b) include an acknowledgement that if such Final Bid is selected by the Monitor as the Backup Bid at the Auction, such Final Bid shall remain binding, irrevocable and open for acceptance by the Debtor until the closing of the transaction with the Successful Bidder;
- (c) include a refundable cash deposit in the form of a wire transfer (to a bank account specified by the Monitor) or such other form of deposit as is acceptable to the Monitor, payable to the Monitor, in trust, in an amount equal to 15% (the “**Deposit**”) of the purchase price contemplated by the Bidder’s Final Bid;
- (d) provide contact information (including an email address) for the Bidder and disclose the identity of each entity (including its ultimate shareholders and/or sponsors) that will be bidding for the Property or otherwise participating in a Final Bid and the complete terms of any such participation;
- (e) include written evidence of a firm, irrevocable commitment for financing or other evidence of an ability to consummate the proposed transaction or transactions comprising the Final Bid, that will allow the Monitor to make a determination as to the Bidder’s financial and other capabilities to consummate the proposed transaction;
- (f) include acknowledgments and representations of the Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property, the Debtor or otherwise prior to making its bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of the Property (including, without limitation, any documents in connection therewith) in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Property or the Debtor or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Debtor and approved by the Court;
- (g) include written evidence, in form and substance reasonably satisfactory to 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;
- (h) provides value to the creditors and other stakeholders of the Debtor (having regard to the relative priority of creditor claims) that is equal to or greater than the value of the applicable Stalking Horse Agreement;
- (i) details of any liabilities to be assumed by the Bidder;
- (j) not be subject to further due diligence;

- (k) not be subject to financing;
 - (l) include a description of any regulatory or other third-party approvals required for the Bidder to consummate the sale transaction, and the time period within which the Bidder expects to receive such regulatory and/or third-party approvals, and those actions the Bidder will take to ensure receipt of such approvals as promptly as possible;
 - (m) include a description of any desired arrangements with respect to transition services that may be required from any of the Companies in connection with the sale transaction;
 - (n) not be subject to any conditions precedent except those that are customary in a transaction of this nature;
 - (o) not be conditional upon approval by the Court of any bid protection, such as a break-up fee, termination fee, expense reimbursement or similar type of payment;
 - (p) be received by the Bid Deadline; and
 - (q) contemplate closing the transaction set out therein on or before **[July 31]**, 2018 (the **“Closing Date Deadline”**).
22. Following the Bid Deadline, the Monitor will determine if each Sale Proposal delivered to the Monitor meets the Final Bid Criteria, provided that each Sale Proposal may be negotiated among the Monitor and the applicable Bidder and may be amended, modified or varied to improve such Sale Proposal as a result of such negotiations. The Monitor shall be under no obligation to negotiate identical terms with, or extend identical terms to, each Bidder.
23. On notice to parties in the CCAA Proceeding, the Monitor may seek Court approval of an amendment to the SSP or any one of them that it considers material. For greater certainty, the extension of any deadline by up to two weeks shall not be considered material.
24. If a Sale Proposal meets the Final Bid Criteria, such Final Bid will be deemed to be a **“Qualified Bid”** and the Bidder in respect of each such Qualified Bid shall be a **“Qualified Bidder”** in respect of the applicable SSP. The Monitor may waive strict compliance with any one or more of the Final Bid Criteria and deem such non-compliant Sale Proposal to be a Qualified Bid, provided that doing so shall not constitute a waiver by the Monitor of the Final Bid Criteria or an obligation on the part of the Monitor to designate any other Sale Proposal as a Qualified Bid.

Selection of Successful Bidders

25. On or before June 11, 2018, or at such later time as the Monitor may deem appropriate, the Monitor will advise each Bidder if its Sale Proposal is a Qualified Bid (the **“Notification Date”**) with respect to the applicable SSP.

26. If one or more Qualified Bids for a particular SSP is received by the Bid Deadline (as such deadline may be extended by the Monitor as set out herein), all Qualified Bidders for such SSP shall proceed to an Auction with the applicable Stalking Horse Bidder, to be held on June 14, 2018, which shall proceed according to the Auction Procedures to identify the Successful Bidder. For greater certainty, each Stalking Horse Bidder is, and is deemed to be, a Qualified Bidder in respect of the applicable SSP and each Stalking Horse Agreement is, and is deemed to be, a Qualified Bid for all purposes in connection with the applicable SSP. The Monitor, in consultation with the Debtor, may postpone or delay the commencement of an Auction with respect to either or both of the SSPs. Any such postponement or delay shall be posted at the Auction Location, communicated to all applicable Qualified Bidders for the applicable SSP in writing and posted on the Monitor's Website.
27. If no Qualified Bid for a SSP other than the Stalking Horse Purchase Agreement is received by the Bid Deadline (as the same may be extended by the Monitor as set out herein), an Auction for such SSP will not be held and that Stalking Horse Bidder will be declared to be the Successful Bidder with respect to the applicable Transaction. The "**Accepted Bid**" for a SSP will be either (i) the applicable Stalking Horse Bid if no Qualified Bid for such SSP is received by the Bid Deadline or so designated by the Monitor; or (ii) in the event of an Auction, the highest and best bid as determined by the Monitor at the Auction. The party that submitted the Accepted Bid for a SSP is referred to herein as the "**Successful Bidder**" with respect to such SSP.
28. If, upon the conclusion of an Auction, the Stalking Horse Bidder is not the Successful Bidder, the Successful Bidder's transaction shall be considered to be a superior transaction (a "**Superior Transaction**").
29. Within seven (7) Business Days of the selection of an Accepted Bid for a Transaction (or as soon as reasonably possible thereafter), the Debtor shall file an Approval Motion. All of the Qualified Bids for that Transaction and SSP other than the applicable Accepted Bid, the Backup Bid and the Stalking Horse Bid, shall be deemed rejected by the Monitor on and as of the date of approval of the applicable Accepted Bid by the Court.
30. All Deposits will be retained by the Monitor in trust. The Monitor shall deposit all Deposits with interest bearing accounts. Any Deposit held by the Monitor with respect to the Accepted Bid (plus accrued interest, if any) will be non-refundable (other than as may be provided for in the Purchase Agreement that constitutes the Accepted Bid) and will be applied to the purchase price to be paid by the Successful Bidder upon closing of the transaction under the Accepted Bid. The Deposits (plus applicable interest, if any) of Bidders not selected as Qualified Bidders will be returned to such Bidders within three (3) Business Days of the Notification Date. The Deposits (plus applicable interest, if any) of Qualified Bidders (other than the Backup Bidder) not selected as the Successful Bidder will be returned to such parties within three (3) Business Days of the Bid Termination Date.
31. If the Successful Bidder for any Transaction fails to close the transaction contemplated by the Accepted Bid by the earlier to occur of the applicable Closing Date Deadline and the closing date under the Accepted Bid (or such date that may otherwise be mutually agreed

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upon among the Debtor, the Monitor and the Successful Bidder), the Monitor shall be authorized but not required to: (a) direct the Debtor to exercise such rights and remedies as are available to the Debtor under the Accepted Bid including, if applicable, deeming that the Successful Bidder has breached its obligations pursuant to the Accepted Bid and that the Successful Bidder has forfeited its Deposit to the Debtor; (b) designate the Backup Bidder as the Successful Bidder and direct the Debtor to close the transaction under the Backup Bid; or (c) take such other steps as it deems advisable. The Debtor reserves its right to seek all available damages, including specific performance, from any defaulting Successful Bidder (including any Backup Bidder designated as a Successful Bidder).

Confidentiality and Access to Information

32. Each Potential Bidder, Interested Party, Bidder or Qualified Bidder (including the Stalking Horse Bidder) 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, Bidders, Qualified Bidders, Qualified Bids, the details of any bids submitted or the details or existence of any confidential discussions or correspondence among the Debtor, the Monitor and any Bidder in connection with any SSP in which such parties are participating.
33. In addition, the Monitor may consult with any other parties with a material interest in the CCAA Proceeding regarding the status and material information and developments relating to any or all of the SSPs to the extent considered appropriate by the Monitor and taking into account, among other things, whether any particular party is a Bidder, Qualified Bidder, or other participant or prospective participant in one or more of the SSPs; provided that such parties may be required to enter into confidentiality arrangements satisfactory to the Monitor. For greater certainty, Clairvest shall not be entitled to any information regarding the status of the SSP unless such information is provided to all Qualified Bidders in the process.

Supervision of the SSP

34. The Monitor will oversee, in all respects, the conduct of the SSP and, without limitation, the Monitor will participate in the SSP in the manner set out herein and in the SSP Order. All discussions or inquiries to the Debtors regarding the SSP shall be directed to the Monitor. Under no circumstances should representatives of the Companies be contacted directly or indirectly in respect of the SSP, including diligence requests, without the prior written consent of the Monitor. Any such unauthorized contact or communication could result in exclusion from any or all of the SSP processes. For greater certainty, the foregoing provision is not intended to prevent or restrict the Debtor or its affiliates and representatives from meeting or communicating with any Stalking Horse Bidder, in a capacity other than as a Stalking Horse Bidder, or any party related thereto regarding matters that do not relate to the SSP.
35. Other than as specifically set forth in the Stalking Horse Agreements or in a definitive agreement between the Companies and the Successful Bidder under a Superior Transaction, the SSP does not, and will not be interpreted to create any contractual or other

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legal relationship among the Debtor, the Monitor, any Potential Bidder, Interested Party, Bidder, Qualified Bidder, the Successful Bidder, or any other party.

36. Subject to the terms of the Initial Order and any entitlement of the Stalking Horse Bidder to a Stalking Horse Expense Reimbursement, participants in the SSP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Final Bid, participation in the SSP, Auction, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

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SCHEDULE "A"- REFERENCES AND DEFINITIONS

In this document, unless the context otherwise required, words importing the singular include the plural and vice versa. Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Initial Order. Except where otherwise expressly provided, all dollar reference amounts are to Canadian dollars.

The terms below shall have the following meaning given to them:

- (a) **"Accepted Bid"** has the meaning given to it in paragraph 27;
- (b) **"Air Tindi Transaction"** means the transaction contemplated by the ATL Stalking Horse Agreement or any other transaction under the ATL Stalking Horse Agreement or any improved bid pursuant to the process set out herein;
- (c) **"Approval Motion"** the Debtor's motion or motions to be filed with the Court seeking one or more orders to approve the Accepted Bids;
- (d) **"ATL"** means Air Tindi Ltd.;
- (e) **"ATL Property"** has the meaning given to it in the Introduction;
- (f) **"ATL Shares"** means 1870 issued and outstanding Class A common shares in the capital of ATL, being 100% of the issued and outstanding shares of ATL;
- (g) **"ATL SSP"** the sale and solicitation process to solicit bids for the ATL Property as set out herein;
- (h) **"ATL Stalking Horse Agreement"** means the stalking horse agreement between the Debtor and the Northern Stalking Horse Bidder dated as of ■, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the ATL Property;
- (i) **"Auction"** means an auction conducted pursuant to this SSP pursuant to the Auction Procedures;
- (j) **"Auction Location"** has the meaning given to it in paragraph 1 of the Auction Procedures;
- (k) **"Auction Procedures"** mean the auction procedures set out in Schedule "D" hereto;
- (l) **"Backup Bid"** has the meaning given to it in paragraph 13 of the Auction Procedures;

- (m) “**Backup Bidder**” has the meaning given to it in paragraph 13 of the Auction Procedures;
- (n) “**Bid Deadline**” has the meaning given to it in paragraph 19;
- (o) “**Bid Termination Date**” has the meaning given to it in paragraph 21(a);
- (p) “**Bidder**” has the meaning given to it in paragraph 12;
- (q) “**Business Day**” means any day, other than Saturday or Sunday, on which the principal commercial banks in Toronto are open for commercial banking business during normal banking hours;
- (r) “**CCAA**” has the meaning given to it in the Introduction;
- (s) “**CCAA Proceeding**” has the meaning given to it in the Introduction;
- (t) “**Closing Date Deadline**” has the meaning given to it in paragraph 21(q);
- (u) “**CIM**” means a confidential information memorandum to be prepared by the Monitor in connection with a SSP;
- (v) “**Companies**” means the Debtor, Top Aces, Top Aces Holdco, GSH, ATL and DMS;
- (w) “**Court**” has the meaning given to it in the Introduction;
- (x) “**Credit Bid**” means a bid that provides for all or part of the consideration to be paid to be satisfied by way of a credit bid of secured indebtedness of the Debtor;
- (y) “**Data Rooms**” the electronic data rooms to be established by the Monitor in connection with the SSP;
- (z) “**Deposit**” has the meaning given to it in paragraph 21(c);
- (aa) “**Debtor**” has the meaning given to it in the Introduction;
- (bb) “**Discovery Mining Transaction**” means the transaction contemplated by the DMS Stalking Horse Agreement or any other transaction under the DMS Stalking Horse Agreement or any improved bid pursuant to the process set out herein;
- (cc) “**DMS**” means Discovery Mining Services Ltd.
- (dd) “**DMS Property**” has the meaning given to it in the Introduction;

- (ee) “**DMS Shares**” means 22,883,047 issued and outstanding Class A common shares in the capital of DMS, being 100% of the issued and outstanding shares of DMS;
- (ff) “**DMS SSP**” the sale and solicitation process to solicit bids for the DMS Property as set out herein;
- (gg) “**DMS Stalking Horse Agreement**” means the stalking horse agreement between the Debtor and the Northern Stalking Horse Bidder dated as of ■, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the DMS Property
- (hh) “**Final Bid**” has the meaning given to it in paragraph 19;
- (ii) “**Final Bid Criteria**” has the meaning given to it in paragraph 20;
- (jj) “**Great Slave Transaction**” means the transaction contemplated by the GSH Stalking Horse Agreement or any other transaction under the GSH Stalking Horse Agreement or any improved bid pursuant to the process set out herein;
- (kk) “**GSH**” means Great Slave Helicopters Ltd.;
- (ll) “**GSH Property**” has the meaning given to it in the Introduction;
- (mm) “**GSH Shares**” means (i) 157,891,795 issued and outstanding Class A common shares; (ii) 1,111 issued and outstanding Class D common shares; (iii) 40,000,000 issued and outstanding Class E common shares; (iv) 7,624 issued and outstanding Class F Preferred shares; (v) 11,072 issued and outstanding Class G Preferred shares; and (vi) 14,400 issued and outstanding Class H Preferred shares issued and outstanding common shares in the capital of GSH, being 100% of the issued and outstanding shares of GSH;
- (nn) “**GSH SSP**” the sale and solicitation process to solicit bids for the GSH Property as set out herein;
- (oo) “**GSH Stalking Horse Agreement**” means the stalking horse agreement between the Debtor and the Northern Stalking Horse Bidder dated as of ■, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the GSH Property;
- (pp) “**Holdco Shares**” means 253.83602 issued and outstanding Class A common shares in the capital of Top Aces Holdco being 100% of the shares of Top Aces Holdco owned by the Debtor;
- (qq) “**Initial Order**” has the meaning given to it in the Introduction;
- (rr) “**Interested Party**” has the meaning given to it in paragraph 11;

- (ss) **“Potential Bidders”** has the meaning given to it in paragraph 6;
- (tt) **“Leading Bid”** has the meaning given to it in paragraph 11 of the Auction Procedures;
- (uu) **“Monitor”** has the meaning given to it in the Introduction;
- (vv) **“Monitor’s Website”** means the Monitor’s website at www.ksvadvisory.com/insolvency-cases/discovery-air;
- (ww) **“NDA”** one or more forms of non-disclosure agreement to be used in connection with the solicitation of bids in this SSP;
- (xx) **“Northern SSP”** means collectively the GSH SSP, ATL SSP and DMS SSP;
- (yy) **“Northern Transactions”** means the Great Slave Transaction, Air Tindi Transaction and Discovery Mining Transaction;
- (zz) **“Northern Stalking Horse Bidder”** means 10671541 Canada Inc.;
- (aaa) **“Northern Stalking Horse Agreements”** means the GSH Stalking Horse Agreement, ATL Stalking Horse Agreement and DMS Stalking Horse Agreement;
- (bbb) **“Notice”** has the meaning given to it in paragraph 6;
- (ccc) **“Notification Date”** has the meaning given to it in paragraph 25;
- (ddd) **“Opportunity”** has the meaning given to it in paragraph 1;
- (eee) **“Overbid”** has the meaning given to it in paragraph 9 of the Auction Procedures;
- (fff) **“Property”** means the Top Aces Property, GSH Property, ATL Property and/or the DMS Property as the context may require;
- (ggg) **“Purchase Agreements”** means the template forms of purchase agreements to be placed in the Data Rooms upon which Bidders are to make Sale Proposals;
- (hhh) **“Qualified Bid”** has the meaning given to it in paragraph 24;
- (iii) **“Qualified Bidder”** has the meaning given to it in paragraph 24;
- (jjj) **“Sale Proposal”** has the meaning given to it in paragraph 19;
- (kkk) **“SSP”** means this sale and solicitation process document and the processes set out herein including without limitation the Top Aces SSP, GSH SSP, ATL SSP or DMS SSP or any one of them as the context may require;

- (lll) **“SSP Motion”** has the meaning given to it in the Introduction;
- (mmm) **“SSP Order”** has the meaning given to it in the Introduction;
- (nnn) **“Stalking Horse Agreements”** means the Top Aces Stalking Horse Agreement and the Northern Stalking Horse Agreement;
- (ooo) **“Stalking Horse Bidder”** means the Top Aces Stalking Horse Bidder and the Northern Stalking Horse Bidder;
- (ppp) **“Starting Bid”** has the meaning given to it in paragraph 7 of the Auction Procedures;
- (qqq) **“Subsequent Bid”** has the meaning given to it in paragraph 4 of the Auction Procedures;
- (rrr) **“Successful Bidder”** has the meaning given to it in paragraph 27;
- (sss) **“Superior Transaction”** has the meaning given to it in paragraph 28;
- (ttt) **“Teaser Letter”** means the process summary letters to be prepared by the Monitor in connection with the SSP;
- (uuu) **“Top Aces”** means Top Aces Inc. (formerly known as Discovery Air Defence Services Inc.);
- (vvv) **“Top Aces Holdco”** means Top Aces Holdings Inc.;
- (www) **“Top Aces Property”** has the meaning given to it in the Introduction;
- (xxx) **“Top Aces SSP”** the sale and solicitation process to solicit bids for the Top Aces Property as set out herein;
- (yyy) **“Top Aces Stalking Horse Agreement”** means the stalking horse agreement between the Debtor and the Top Aces Stalking Horse Bidder dated as of ■, 2018 as the same may be amended, modified, improved or changed pursuant to the terms of this SSP for the purchase and sale of the Top Aces Property;
- (zzz) **“Top Aces Stalking Horse Bidder”** means, collectively, CEP IV Co-Investment Limited Partnership, Clairvest Equity Partners IV Limited Partnership, Clairvest Equity Partnership IV-A Limited Partnership, DA Holdings Limited Partnership and G. John Krediet;
- (aaaa) **“Top Aces Transaction”** means the transaction contemplated by the Top Aces Stalking Horse Agreement or any other transaction under the Top Aces Stalking Horse Agreement or any improved bid pursuant to the process set out herein;

(bbb) **“Transactions”** means the Top Aces Transaction, Great Slave Transaction, Air Tindi Transaction and/or Discovery Mining Transaction.

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SCHEDULE "B"

Acknowledgement of the Sale and Solicitation Process

TO: Discovery Air Inc.

AND TO: KSV Kofman Inc. in its capacity as monitor in the CCAA proceedings of Discovery Air Inc.

RE: Sale and Solicitation Process in respect of the following Transaction(s) [*check all that apply*]:

- Top Aces Transaction
 - Great Slave Transaction
 - Air Tindi Transaction
 - Discovery Mining Transaction
-

The undersigned hereby acknowledges receipt of the sale and solicitation process approved by the Order of the Honourable Justice ■ of the Ontario Superior Court of Justice (Commercial List) dated ■, 2018 (the "SSP") and that compliance with the terms and provisions of the SSP is required in order to participate in the SSP and for any Final Bid (as defined in the SSP) to be considered by the Monitor.

This ___ day of _____, 2018.

[Insert Interested Party name]

Per:
Email Address:

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SCHEDULE "C" – ADDRESSES FOR NOTICES

KSV Kofman Inc.

Court-Appointed Monitor in Discovery Air Inc.'s CCAA proceedings

150 King Street West

Suite 2308, Box 42

Toronto ON M5H 1J9

Attention: Bobby Kofman & David Sieradzki

Email: bkofman@ksvadvisory.com/ dsieradzki@ksvadvisory.com

-with copies to-

Goldman Sloan Nash & Haber LLP

Lawyers for the Debtor

1600-480 University Avenue

Toronto, ON M5G 1V2

Attention: Michael Rotsztain and Jennifer Stam

Email: rotsztain@gsnh.com/ stam@gsnh.com

Goodmans LLP

Lawyers for the Monitor

Bay Adelaide Centre

333 Bay Street, Suite 3400

Toronto ON M5H 2S7

Attention: Joe Latham

Email: jlatham@goodmans.ca

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SCHEDULE "D" - AUCTION PROCEDURES

1. The Auctions for each SSP, if any, shall be conducted by the Monitor, commencing on June 14, 2018, at 10:00 a.m. (Toronto time) at the offices of Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, ON, M5H 2S7 or such other location as the Monitor may choose in advance of the commencement of an Auction (the "**Auction Location**"). No later than 24 hours prior to the scheduled date of the Auction, the Monitor shall communicate any change in the Auction Location from the offices of Goodmans LLP to another location to all applicable Qualified Bidders in writing and post notice of such change in location at the offices of Goodmans LLP and on the Monitor's Website.
2. To the extent that the Monitor is to conduct multiple Auctions, it may choose to conduct such Auctions concurrently or consecutively in its discretion. Any delay or postponement of the commencement of an Auction shall be communicated in accordance with paragraph 26 of the SSP.
3. Unless otherwise ordered by the Court or consented to in writing by the Monitor, only the authorized representatives and professional advisors of the Monitor, the Companies, the applicable Stalking Horse Bidder, and each other Qualified Bidder invited to an Auction shall be eligible to attend an Auction and make any Subsequent Bid (as defined below) at an Auction. Administrative personnel, including, without limitation, a court reporter or similar official, will also attend an Auction at the invitation of the Monitor.
4. At an Auction, all applicable Qualified Bidders (including a Stalking Horse Bidder) shall be permitted to increase their Qualified Bids in accordance with the procedures set forth herein (each, a "**Subsequent Bid**"). All Subsequent Bids presented during an Auction shall be made and received in one room on an open basis. All participating Qualified Bidders shall be entitled to be present for all bidding with the understanding that the true identity of each participating Qualified Bidder shall be fully disclosed to all other Qualified Bidders and that all material terms of each Subsequent Bid presented during an Auction will be fully disclosed to the participating Qualified Bidders throughout an entire Auction.
5. All Qualified Bidders must have at least one individual representative with authority to bind such Qualified Bidder present in person at the offices of Goodmans LLP during the Auction(s).
6. All proceedings at an Auction shall be transcribed.
7. At least two (2) days prior to an Auction, the Monitor will advise all Qualified Bidders for the applicable SSP which of the Qualified Bids (including a Stalking Horse Agreement) the Monitor has determined in its reasonable business judgment,

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after consultation with its advisors and the Companies, constitutes the then highest or otherwise best Qualified Bid (the “**Starting Bid**”).

8. The Starting Bid will be deemed to be the first bid at the Auction and bidding at the Auction will continue, in one or more rounds of bidding, so long as during each round at least one Subsequent Bid is submitted by a Qualified Bidder that, in the reasonable business judgement of the Monitor improves upon the then Leading Bid and meets the Overbid requirement.
9. The first round of bidding at an Auction in respect of the following processes and transactions shall commence in the following increments:
 - (a) bidding in respect of the Top Aces Transaction shall commence in increments of \$■;
 - (b) bidding in respect of the GSH Transaction shall commence in increments of \$■
 - (c) bidding in respect of the ATL Transaction shall commence in increments of \$■; and
 - (d) bidding in respect of the DMS Transaction shall commence in increments of \$■,

(each, an “**Overbid**”). The Monitor shall be entitled to change the amount of Overbid in subsequent rounds of bidding at the Auction in its discretion.
10. Credit Bids will be permitted at an Auction, provided that the validity of such secured indebtedness has been confirmed by the Monitor prior to commencement of such Auction. Bidding shall continue until such time as the highest or best bid is determined by the Monitor, in its reasonable business judgment, after consultation with its advisors. The Monitor, in its sole discretion, shall have the right to modify the bidding increments at the commencement of any round of the Auction. For the purpose of evaluating the value of the consideration provided by each Subsequent Bid (including any Subsequent Bid by a Stalking Horse Bidder) presented at the Auction, the value will take into account the amount and priority of any Credit Bid and any liabilities to be assumed by a Qualified Bidder.
11. After the first round of bidding and between each subsequent round of bidding, the Monitor shall announce the Subsequent Bid that the Monitor has determined in its reasonable business judgment, after consultation with its advisors, to be the then highest or best bid (the “**Leading Bid**”). A round of bidding will conclude after each participating Qualified Bidder has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.

12. If no Qualified Bidder submits a Subsequent Bid (as determined by the Monitor) after a period of 30 minutes following the Monitor's acceptance of a Subsequent Bid as the Leading Bid, and the Monitor chooses not to adjourn an Auction, the Leading Bid shall be the Accepted Bid, whereupon such Auction will be concluded. The Monitor shall have the right, but not the obligation, to extend the time period to submit an offer.
13. If an Auction is conducted, the Monitor shall determine, in its reasonable business judgment after consultation with its advisors, the next highest or otherwise best Qualified Bid after the Accepted Bid (the "**Backup Bid**"). The Qualified Bidder which has submitted the Backup Bid will be designated as the "**Backup Bidder**". The Backup Bidder shall be required to keep its last submitted Subsequent Bid, or if it has not made a Subsequent Bid, its Qualified Bid (the "**Backup Bid**") open and irrevocable until the closing of the transaction with the Successful Bidder.
14. At or during an Auction, the Monitor, after consultation with its advisors, may employ and announce additional procedural rules that are fair and reasonable under the circumstances (e.g., the amount of time allotted to make Subsequent Bids) for conducting such Auction; provided, however, that such rules are (a) not inconsistent with the SSP or these Auction Procedures, the CCAA, any order of the Court entered in connection with the SSP or Auction Procedures and (b) disclosed to each Qualified Bidder at or during the Auction.

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A PLAN OF COMPROMISE OR ARRANGEMENT OF DISCOVERY AIR

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

SSP APPROVAL ORDER

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Fax: 416-597-6477

Mario Forte (LSUC#: 27293F)
Tel: 416.597.6477
Email: forte@gsnh.com

Michael Rotsztain (LSUC#: 17086M)
Tel: 416.597.7870
Email: rotsztain@gsnh.com

Jennifer Stam (LSUC#: #46735J)
Tel: 416.597.5017
Email: stam@gsnh.com

Lawyers for the Applicant



Schedule 2.1(c)
Assigned Contracts

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36,
AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DISCOVERY
AIR INC. (the "APPLICANT")

Court File No.: CV-18-594380-00CL

<p>ONTARIO SUPERIOR COURT OF JUSTICE (Commercial List)</p> <p>Proceeding commenced at Toronto</p> <p>AFFIDAVIT OF PAUL BERNARDS (SWORN JUNE 15, 2018)</p> <p>GOLDMAN SLOAN NASH & HABER LLP 480 University Avenue, Suite 1600 Toronto, Ontario M5G 1V2 Fax: 416-597-6477</p> <p>Mario Forte (LSUC#: 27293F) Tel: 416.597.6477 Email: forte@gsnh.com</p> <p>Michael Rotsztain (LSUC#: 17086M) Tel: 416.597.7870 Email: rotsztain@gsnh.com</p> <p>Jennifer Stam (LSUC#: #46735J) Tel: 416.597.5017 Email: stam@gsnh.com</p> <p>Lawyers for the Applicant</p>	
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TAB 3

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Court File No.: _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**AFFIDAVIT OF PAUL BERNARDS
(Sworn March 21, 2018)**

I, Paul Bernards, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY:

1. This Affidavit is made in support of an Application by Discovery Air Inc. (“**Discovery**”, or the “**Applicant**”) for relief under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The Applicant has four (4) wholly owned Non-Applicant Subsidiaries (defined and discussed below), as well as a minority interest in a holding company of the Top Aces business, all of which are discussed in further detail below. Although the Non-Applicant Subsidiaries are not part of the filing, they are the operational subsidiaries of the Applicant and have joint and/or several obligations, including, without limitation, in respect of maturing principal debt and other principal debt amounts and guaranteed debt amounts, with the Applicant. As such, the Applicant is seeking to have a limited stay granted in favour of these Non-Applicant Subsidiaries pursuant to this Application to primarily address cross-defaults related to such joint and/or several obligations.

2. I am the Chief Financial Officer of the Applicant, a position that I have held since April 1, 2014. Prior to that time, I was a consultant to Discovery from March 17 to April 1, 2014. I have also held positions as the Senior Vice President of Finance and Chief Financial Officer at Premier Salons Ltd, Shepell FGI LP and Masonite International Corporation. I have over 30

years of experience in corporate finance and public accounting, am a certified public accountant in both the United States and Canada, and have obtained a B.A. in Finance from the University of Toronto and a M.B.A. from York University (now the Schulich School of Business). I also hold the ICD.D designation from the Institute of Corporate Directors of Canada.

3. As such, I have personal knowledge of the matters deposed to in this Affidavit. Where I have relied on other sources of information, I have specifically referred to such sources and verily believe them to be true. In preparing this Affidavit, I have consulted with legal, financial and other advisers of the Applicant and other members of the senior management team of the Applicant.

4. This affidavit is organized as follows:

	Section	Paragraph references
I.	Overview (a) Background and Introduction (b) Purpose of this CCAA Proceeding	6- 19
II.	Corporate Details of Discovery and Financial Statements (a) Corporate Information and Ownership (b) Discovery's Business (c) Discovery's Financial Position	20- 28
III.	Discovery's Outstanding Debt (a) Overview of Discovery's and the Non-Applicants Subsidiaries' Secured Debt (b) Clairvest (c) Other Secured Indebtedness (d) Intercreditor Agreement and Relative Priorities of Secured Debt (e) Unsecured Listed Debentures (f) Other Debt of Discovery	29- 56
IV.	Cash Management (a) Discovery Air Group Bank Accounts	57- 62

	Section	Paragraph references
	(b) Intercompany Obligations	
V.	The Non-Applicant Subsidiaries (a) GSH (b) ATL (c) DMS (d) DATS	63-90
VI.	Dependencies of the Discovery Air Group	91- 92
VII.	Top Aces (a) Corporate Information and Ownership (b) Business of Top Aces (c) Funding Requirements and Financial Position of Top Aces (d) The Top Aces Transactions (e) Allocation of Services	93- 110
VIII.	The Proposed CCAA Proceedings and Requested Relief (a) Discovery is Insolvent (b) Discovery's Cash Flow Projections (c) The Anticipated Sale Process (d) Proposed Initial CCAA Order	111- 155
IX.	Conclusion	156

5. The exhibits to this affidavit are as follows:

	Exhibit	Paragraph references
A.	Corporate Organization Chart for Discovery Air Group	20
B.	Consolidated Financial Statements for fiscal year ending January 31, 2017	26
C.	Unaudited Consolidated Financial Statements for financial year ended January 31, 2018	26
D.	Press Releases regarding Transactions involving Clairvest	31

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	Exhibit	Paragraph references
E.	Press Releases regarding Top Aces Transactions	104
F.	Letter from Randy Durig of Durig Capital Inc. dated December 19, 2017 (redacted)	106
G.	Letter from Discovery Air Inc. to Randy Durig dated January 4, 2018	107
H.	13-week Cash Flow Forecast	115
I.	DIP Term Sheet	137
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K.	Confidential Exhibit	150

I. OVERVIEW

(a) Background and Introduction

6. Discovery, through its four wholly-owned subsidiaries (the “**Non-Applicant Subsidiaries**”), Great Slave Helicopters Ltd. (“**GSH**”), Air Tindi Ltd. (“**ATL**”), Discovery Mining Services Ltd. (“**DMS**”) and Discovery Air Technical Services Inc. (“**DATS**”) (Discovery and the Non-Applicant Subsidiaries are collectively referred to herein as the “**Discovery Air Group**”), provides specialty aviation services and logistics support to governments and natural resource and other business customers, operating across Canada and in select locations internationally, including the United States, Bolivia, Australia, and Chile. GSH, ATL and DMS are active subsidiaries, while DATS is presently inactive.

7. Until December 2017, Discovery Air Defence Services Inc. (“**DADS**”) and its subsidiaries were also subsidiaries of Discovery. As discussed below, as of December 2017, DADS is no longer owned by Discovery (other than a remaining small minority interest). On February 1, 2018, DADS rebranded by changing the name of the company back to its original corporate name, “**Top Aces Inc.**” (together with its subsidiaries, “**Top Aces**”) and the former DADS business now carries on business globally under the Top Aces brand.

8. Since 2014, Discovery has consistently experienced losses ranging between \$16 million and \$29 million annually on a consolidated basis and has not reported a profit. These stresses affecting the Discovery Air Group and Top Aces have resulted from a number of external and internal factors, including a slowdown of the oil and gas and mining sectors, unexpectedly extreme seasonal impacts on the business (particularly those that operate in remote areas of Canada or are dependent on unpredictable fire suppression activities), significant capital expenditures required for ongoing maintenance, depression in the helicopter charter services markets globally, the application of aircraft import controls, and regulatory policy changes (which, in some cases, led to the temporary grounding of aircraft by applicable regulatory authorities and increased expenditures to bring aircraft in compliance with the new policies).

9. Throughout this time, the businesses have required persistent infusions of capital and significant funding to continue operating. Further, the seasonal nature of Discovery's business has contributed to the need for further capital in the slower winter months. The Northern business (carried out through GSH, ATL and DMS) is highly seasonal with approximately 50% of its gross revenue earned in June to September of each year. While the Top Aces business is slightly less seasonal, it required constant funding for capital expenditures and maintenance costs, the financial effects of which were worsened by the temporary groundings of certain of its aircraft in 2017 and its inability to produce revenue while it became compliant with new policies.

10. Since 2014, the Discovery Air Group and Top Aces businesses have been supported and financially sustained directly and indirectly by Clairvest Group Inc. and its affiliates, including certain funds managed by Clairvest Group Inc. (collectively, "Clairvest"¹ and references to "Clairvest" herein may refer to any or all such affiliates and/or funds, as applicable). Clairvest is a publicly traded private equity investor. In order to maintain the viability of Discovery, Clairvest has provided debt and equity fundings on numerous instances when there were no other viable options in the debt or capital markets. As a result, Clairvest has become the principal owner of, and by far the largest secured lender of, the Discovery Air Group.

¹ As applicable, the term "Clairvest" may also include Mr. G. John Krediet, an individual investor within the Clairvest group.

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11. The Discovery Air Group has taken steps to cut costs, improve efficiency and profitability, divest non-essential assets and businesses, raise capital, and hire new executive officers including replacing its CFO twice and its CEO. These initiatives have not been sufficient to address ongoing liquidity and other financial challenges.

12. As set out in further detail below Discovery is presently facing the imminent or near term maturities of the following significant obligations that total more than \$127 million in the aggregate:

- (a) Unsecured Listed Debentures maturing on June 30, 2018: \$34.5 million (plus over \$1.4 million in interest) in unsecured bond debt principal due to public bondholders under the Unsecured Listed Debentures (defined below);
- (b) Roynat Secured Debt maturing on April 15, 2018: \$5.1 million of secured principal indebtedness owing to Roynat Inc.;
- (c) CIBC Secured Debt effectively maturing April 30, 2018:² secured principal indebtedness owing to Canadian Imperial Bank of Commerce (including amounts owing under outstanding letters of credit) which, as of March 16, 2018 was approximately \$10.6 million (plus \$4.2 million in outstanding letters of credit); and
- (d) CV Secured Debentures maturing on May 5, 2018: \$72.7 million of secured principal indebtedness owing to Clairvest (the details of which are set out below).

13. Discovery has no ability to repay these obligations and is unable to refinance this debt given its current circumstances. Among other things, Clairvest has informed Discovery that it will not extend the maturity of its debt or provide additional financing to pay the other maturity obligations, which may result in cross-defaults and debt acceleration.

² See discussion of CIBC maturity date below in paragraph 37.

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(b) Purpose of this CCAA Proceeding

14. In light of Discovery's financial distress and inability to continue to service or repay its debt when due, Discovery is seeking protection pursuant to the CCAA in order to pursue sale transactions for the businesses held in GSH, ATL and DMS and its remaining indirect minority interest in Top Aces, following which Discovery itself expects that it – together with certain other inactive wholly-owned subsidiaries – will cease to operate.

15. Discovery intends to effect a series of restructuring transactions principally through a sale solicitation process ("SSP"), which will include four stalking horse bids: one for the indirect minority interest in Top Aces, and separate bids for the shares of each of GSH, ATL, and DMS, respectively, and in each case together with various ancillary assets and contracts that are used and required for the ongoing operation of each business. In order to provide stability and certainty to stakeholders, Discovery has negotiated the terms of proposed stalking horse agreements with Clairvest who, through designated purchasers, will act as stalking horse bidders for each of the transactions. If the Initial CCAA Order is granted, I anticipate that the Applicant will be seeking approval of the SSP on a subsequent motion brought on notice to the service list within one to two weeks after the granting of the Initial CCAA Order.

16. Successful sale transactions for these businesses will benefit employees, customers, suppliers and other business partners, and will avoid the social and economic costs of a liquidation of the businesses and assets of the Non-Applicant Subsidiaries (including as a result of piecemeal lender enforcement processes that might otherwise be taken by lenders having secured claims against the Non-Applicant Subsidiaries). This will be facilitated by the stabilization of the business of the Discovery Air Group for the duration of the CCAA proceeding.

17. Discovery also requires access to interim financing to, among other things, continue to provide needed funding to the Non-Applicant Subsidiaries. Discovery is seeking to authorize interim financing to be provided by Clairvest as part of the Initial CCAA Order which is required immediately. It is intended that the priority of the interim financing will take priority only over the existing secured debt held by Clairvest and obligations to other creditors that are subordinate

to the existing Clairvest debt and security. For greater certainty, the interim financing will not prime any debt or security ranking in priority to Clairvest's existing secured debt.

18. Discovery is also seeking approval of arrangements to ensure the participation of the key management personnel who provide corporate support, managerial and other services throughout the Discovery Air Group and who have background and familiarity with the operations of the Discovery Air Group, such that the input of such personnel will improve the prospects that these proceedings have a successful outcome. To that end, Discovery intends to seek approval of a key employee retention plan ("**KERP**") as part of this Application.

19. It is intended that the key business operations conducted through the Non-Applicant Subsidiaries, will continue to operate in the ordinary course throughout this CCAA proceeding and that creditors of the Non-Applicant Subsidiaries will continue to be paid in the ordinary course during this time, save and except for payments in respect of maturing debt obligations and guarantees that will be stayed.

II. CORPORATE DETAILS OF DISCOVERY AND FINANCIAL STATEMENTS

(a) Corporate Information and Ownership

20. Discovery was incorporated under the laws of the Province of Ontario (the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16 as amended) on November 12, 2004, and was continued under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**") on March 27, 2006. Attached as **Exhibit "A"** is a copy of the organization chart for the Discovery Air Group.

21. Discovery's head office is a leased location in Toronto, near Pearson International Airport.

22. The current directors of Discovery are Kenneth Rotman, Adrian Pasricha, G. John Krediet, Thomas Andrew (Drew) Hickey and Michael Grasty. Messrs. Hickey and Grasty are the independent directors of Discovery. On August 30, 2017, Discovery announced the appointment of Alan D. Torrie as Chief Executive Officer, effective as of August 29, 2017.

23. Discovery has seven employees, three of whom are officers of Discovery.

24. Discovery was initially a public company, but it has been a privately held company since May 2017, although it remains a reporting issuer as a result of its publicly traded bond debt. Through various share acquisitions culminating in the Going Private Transaction (defined below) in May 2017, Clairvest owns approximately 95.5% of the common shares, and certain current and former management of Discovery own the remainder. Further details regarding the Going Private Transaction are discussed below in paragraph 31.

(b) Discovery's Business

25. Discovery is primarily a holding company for the shares of its operating subsidiaries, and for its indirect minority interest in Top Aces, and has historically been the vehicle through which funding has been provided for the businesses of the operating subsidiaries. Discovery provides corporate support functions to the Discovery Air Group and Top Aces, including shared services such as central management, finance, treasury, information technology, legal, human resources and other administrative functions, but does not have an independent business of its own.

(c) Discovery's Financial Position

26. The most recent audited annual consolidated financial statements for Discovery for the fiscal year ending January 31, 2017 are attached at **Exhibit "B"**. Discovery's unaudited consolidated financial statements for its financial year ended January 31, 2018 are attached at **Exhibit "C"** which have been prepared on a preliminary basis and are subject to year end adjustments. Any reference in this affidavit to financial information as of January 31, 2018 is being provided on such a basis and may be subject to further adjustment.

27. On a preliminary basis, as of January 31, 2018, the book value of Discovery's assets, liabilities and accumulated deficit were as follows:

- (a) Working capital deficit: Working Capital deficit of \$102.1 million made up of \$39.0 million in current assets (including \$13.8 million of illiquid aircraft parts inventory) offset by current monetary liabilities of \$141.1 million;
- (b) Net Long-Lived Assets: Net long-lived assets of \$121.5 million made up of illiquid long-lived capital assets of \$155.3 million less non-current liabilities of 33.8 million; and

- (c) Deficit in Retained Earnings: Accumulated deficit in retained earnings of approximately \$80.2 million, including net losses in the prior three fiscal years totalling approximately \$63 million.

28. As set out above, Discovery has been experiencing significant losses for several years. A brief summary of Discovery's financial results (shown in millions of Canadian dollars) since 2014 is as follows:

	Fiscal year ended January 31, 2014 (audited)	Fiscal year ended January 31, 2015 (audited)	Fiscal year ended January 31, 2016 (audited)	Fiscal year ended January 31, 2017 (audited)	Fiscal year ended January 31, 2018 (unaudited) ³
Discovery (consolidated)	Revenue: 213.5 Net Income/(loss): (18)	Revenue: 190.8 Net Income/(loss): (18.9)	Revenue: 182.2 Net Income/(loss): (16)	Revenue: 171.1 Net Income/(loss): (18)	Revenue: 143.1 Net Income/(loss): (29)

III. DISCOVERY'S OUTSTANDING DEBT

(a) Overview of Discovery's and the Non-Applicant Subsidiaries' Secured Debt

29. A summary of the current secured debt structure of the Discovery Air Group as of January 31, 2018 is set out below:

Lender	Principal amount Owing as of January 31, 2018 (unless otherwise indicated below)	Maturity	Borrower(s)	Guarantor(s) (within the Discovery Air Group)	Security & Priority (pursuant to Inter-Creditor Agreement)
Clairvest	\$72.7 million	May 5, 2018	Discovery	GSH ATL DMS DATS	<u>Security</u> : General security on all property, assets and undertakings of all obligors. <u>Priority</u> : (i) first charge on specific aircraft, real estate, certain capitalized parts and proceeds of foregoing; (ii) first charge via share

³ Information provided pursuant to preliminary unaudited financial statements for January 31, 2018 which are subject to adjustment.

Lender	Principal amount Owing as of January 31, 2018 (unless otherwise indicated below)	Maturity	Borrower(s)	Guarantor(s) (within the Discovery Air Group)	Security & Priority (pursuant to Inter-Creditor Agreement)
					pledge of the shares of all of the Non-Applicant Subsidiaries and Top Aces Holdco owned by Discovery; (iii) second charge on accounts receivable, all inventory, enumerated capitalized parts (behind CIBC) and proceeds; and (iv) second charge on certain fixed assets and proceeds (behind Roynat, ECN and Textron, as applicable, with respect to their respective priority collateral, but prior to such parties with respect to all other collateral).
CIBC	\$10.6 million on operating line as of March 16, 2018 plus \$4.2 million outstanding in letters of credit	April 30, 2018 ⁴	Discovery	GSH ATL DMS DATS	<u>Security:</u> General security on all personal property and undertaking of all obligors other than the shares of Top Aces Holdco owned by Discovery. <u>Priority:</u> (i) first charge on accounts receivable, inventory, and GSH / ATL capitalized parts and proceeds; and (ii) a blanket <i>pari passu</i> second charge on the Clairvest priority collateral and a blanket <i>pari passu</i> third charge on other personal property (behind Clairvest and behind the other lenders with respect to their respective priority collateral only).
Roynat	\$5.1 million	April 15, 2018	Discovery GSH ATL DMS	Nil	<u>Security:</u> General security on all personal property and undertaking of all obligors other than the shares of Top Aces Holdco owned by Discovery <u>Priority:</u> (i) first charge on specific aircraft financed by Roynat,

⁴ See discussion of CIBC maturity date below in paragraph 37.

Lender	Principal amount Owning as of January 31, 2018 (unless otherwise indicated below)	Maturity	Borrower(s)	Guarantor(s) (within the Discovery Air Group)	Security & Priority (pursuant to Inter-Creditor Agreement)
					including engines and related property and proceeds; and (ii) a blanket <i>pari passu</i> second charge on the Clairvest priority collateral and a blanket <i>pari passu</i> third charge on other personal property (behind Clairvest and behind the other lenders in respect of their respective priority collateral only).
ECN	\$0.7 million and \$7.9 million	April 1, 2020	Discovery	GSH ATL DMS DATS	<p><u>Security:</u> General security on all personal property and undertaking of all obligors other than the shares of Top Aces Holdco owned by Discovery</p> <p><u>Priority:</u> (i) first charge on specific aircraft financed by ECN, including engines and related property; and (ii) a blanket <i>pari passu</i> second charge on the Clairvest priority collateral and a blanket <i>pari passu</i> third charge on other personal property (behind Clairvest and behind the other lenders in respect of their respective priority collateral only).</p>
Textron	\$13.1 million	April 1, 2023	ATL	Discovery	<p><u>Security:</u> General security on specific personal property and undertaking of ATL</p> <p>Unsecured guarantee by Discovery</p> <p><u>Priority:</u> (i) first charge on specific aircraft of ATL financed by Textron, including engines and related property and the reserve account; and (ii) an unsecured corporate guarantee from Discovery</p>

(b) Clairvest

30. As noted above, Clairvest is presently the majority shareholder of Discovery and Top Aces (indirectly through Top Aces Holdco, defined below), and is the largest secured creditor of the Discovery Air Group. Discovery is the borrower of the debt owing to Clairvest.

31. A summary of the principal transactions involving Clairvest and the Discovery Air Group and applicable timeline is set out in the table below (with each capitalized term defined and described below). Discovery has issued numerous press releases disclosing these transactions, collectively attached as **Exhibit "D"**.

Date	Transaction Description
September 2011	<p>\$70 million private placement of secured convertible debentures (the "CV Secured Debentures")</p> <ul style="list-style-type: none"> • Guaranteed by all of the Non-Applicant Subsidiaries • Fully secured by all assets of Discovery (including the shares it holds of Top Aces Holdco, defined below and the Non-Applicant Subsidiaries) and the assets of Non-Applicant Subsidiaries • Balance remaining as of January 31, 2018: \$72.7 million • Maturity Date: May 5, 2018
April-May 2014	<p>1st rights offering and equity acquisition by Clairvest of \$13.3 million</p> <ul style="list-style-type: none"> • \$15 million rights offering by Discovery back stopped by Clairvest • Very little take up in market resulting in backstop being called on • Upon exercise of the rights, Clairvest owned 48.8% of common shares of Discovery
March 2015	<p>2nd rights offering and further equity acquisition by Clairvest of \$10.2 million</p> <ul style="list-style-type: none"> • \$11 million rights offering by Discovery • Very little take up in market other than Clairvest • Upon exercise of the rights, Clairvest owned 75.5% of common shares of Discovery

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Date	Transaction Description
May 2015	Clairvest guarantee of temporary CIBC facility increase of up to \$10 million
March - June 2015	<p>Clairvest promissory notes to Discovery of \$8.1 million</p> <ul style="list-style-type: none"> • Various promissory notes to assist in aircraft financing and working capital needs • All amounts have been repaid
March 2016	<p>Revolving credit facility (“CV 2016 Credit Facility”) between Discovery and Clairvest:</p> <ul style="list-style-type: none"> • Revolving credit facility of up to \$12 million for working capital, capital expenditures, maintenance and other costs. • Guaranteed by Top Aces and several subsidiaries of Top Aces and security granted on certain aircraft owned by Top Aces subsidiaries. • Refinanced in December 2016 through Top Aces Credit Agreement (defined below).
December 2016	<p>Secured revolving loan agreement (“Top Aces Credit Agreement”) between Clairvest and Top Aces:</p> <ul style="list-style-type: none"> • Revolving credit facility of up to \$25 million provided to Top Aces. • Guaranteed by certain other subsidiaries of Top Aces and secured by various assets owned by Top Aces and the guarantors. • Proceeds used to refinance the CV 2016 Credit Facility and provide additional funding for working capital and operating expenses. • Included conversion feature allowing debt under the Top Aces Credit Agreement to be converted to equity of Top Aces. • Repaid as part of Top Aces Transactions (defined and discussed below).
March 2017	<p>Going Private Transaction</p> <ul style="list-style-type: none"> • By December 2016 - Clairvest owned 87.5% of the listed outstanding common shares of Discovery. • March 24, 2017 - Discovery announces that it has entered into a definitive agreement with Clairvest to effect a plan of arrangement under the CBCA pursuant to which these entities and certain management shareholders would hold all of the issued and outstanding

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Date	Transaction Description
	<p>shares in the capital of Discovery (the “Going Private Transaction”).</p> <ul style="list-style-type: none"> • In connection with the Going Private Transaction, Discovery retained Capital Canada Limited as its valuator to provide a formal valuation and fairness opinion (the “Valuation”) of the fair market value of the Discovery shares. • The Going Private Transaction was approved by shareholders of Discovery at a special meeting of shareholders held on May 23, 2017 by 99.84% of the votes cast by shareholders, with only one shareholder dissenting. • The Ontario Superior Court of Justice approved the Going Private Transaction on May 24, 2017, and it was implemented and closed on May 26, 2017. The shares of Discovery were de-listed from the TSX on that date.
June 2017	<p>Subordinated secured revolving credit agreement (the “Top Aces Subordinated Credit Agreement”) between Clairvest and Top Aces:</p> <ul style="list-style-type: none"> • Subordinated secured revolving credit facility of up to \$13 million. • Guaranteed by certain other subsidiaries of Top Aces and secured by various assets owned by Top Aces and the guarantors. • Proceeds used to fund working capital and operating expenses. • Included conversion feature allowing debt under the Top Aces Credit Agreement to be converted to equity of Top Aces. • Discovery entered into a letter agreement dated as of June 5, 2017 with Clairvest (the “Swap Letter”) providing for the ability of Clairvest convert up to \$18.4 million of CV Secured Debentures into common shares of Top Aces with an aggregate value of \$14.7 million. • Repaid as part of Top Aces Transactions (defined and discussed below).
November 2017	<p>\$8 million subordinated secured revolving credit agreement (the “ATL Subordinated Loan Agreement”) between Clairvest and ATL</p> <ul style="list-style-type: none"> • subordinated secured revolving credit agreement. • Guaranteed by Discovery and GSH and secured by all assets of obligors. • \$5 million drawn to repay a portion of the debt owing to ECN (defined

Date	Transaction Description
	<p>and discussed below).</p> <ul style="list-style-type: none"> • Repaid as part of Top Aces Transactions (defined and discussed below).
November 2017	<p>\$8 million subordinated secured revolving credit agreement (the “Top Aces Bridge Agreement”) between Clairvest and Top Aces</p> <ul style="list-style-type: none"> • Bridge funding agreement of up to \$8 million. • \$5 million drawn by Top Aces to pay Discovery as return of capital. • Secured by property of Top Aces. • Repaid as part of Top Aces Transactions (defined and discussed below).

32. This list of transactions does not include the extensive additional ongoing support provided by Clairvest (i.e. repeated waivers of covenants, extensions of debt maturity and other amendments and relief relating to these financing transactions). The net effect of all of these transactions on the obligations owing to Clairvest is that presently only the CV Secured Debentures (defined above) remain outstanding, all such other financing previously provided by Clairvest having been repaid or converted into equity of Top Aces and/or Top Aces Holdco.

33. As of January 31, 2018, the Discovery Air Group owed approximately \$72.7 million of secured debt to Clairvest under the CV Secured Debentures (the “**Clairvest Secured Indebtedness**”). All other obligations that had been owing to Clairvest have been repaid.

(c) Other Secured Indebtedness

34. In addition to Clairvest, the Discovery Air Group has a number of other significant secured creditors; namely (each capitalized term defined below): (a) CIBC – traditional revolving bank facility; (b) Roynat – aircraft-specific financing; (c) ECN – aircraft-specific financing; and (d) Textron – aircraft-specific financing.

35. As with Clairvest, Discovery has been forced to seek the agreement of most of its other secured lenders on an almost quarterly basis to extend and/or modify the terms of their loans (including seeking covenant relief due to a persistent inability to meet covenants set out in the

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relevant loan documentation, as well as the granting by several of its lenders of extension of the terms of their loans). Discovery is now facing the impending maturity of its facilities with CIBC and Roynat, both of which mature prior to the end of April 2018.

(i) Canadian Imperial Bank of Commerce

36. Canadian Imperial Bank of Commerce (“CIBC”) is the secured operating lender to the Discovery Air Group pursuant to an amended and restated credit agreement dated May 26, 2015, as amended (as amended and/or restated from time to time, the “CIBC Credit Agreement”) between Discovery, as borrower and CIBC as lender. Pursuant to the CIBC Credit Agreement, each of Discovery, the other members of the Discovery Air Group and Top Aces⁵ (among others) granted general security over all of their personal property.

37. CIBC provides Discovery with a revolving credit facility of at up to \$20 million (the “CIBC Credit Facility”) subject to availability calculated using a borrowing base formula based on the assets of Discovery (and its subsidiaries). The revolver is used by Discovery and its subsidiaries for working capital purposes, capital expenditures and other costs on an ongoing basis. The maturity date and other terms under the CIBC Credit Agreement has been amended from time to time. On December 15, 2017, Discovery announced that the maturity date of the CIBC Credit Facility had been extended to January 31, 2019 subject to acceleration in certain circumstances. Given the current circumstances, the maturity date of the CIBC Credit Facility is effectively April 30, 2018.

38. The principal amount owing to CIBC as at March 16, 2018 was approximately \$10.6 million plus \$4.2 million in letters of credit. The priority of the CIBC secured obligations is summarized above in paragraph 29.

(ii) Roynat Inc.

39. Roynat Inc. (“Roynat”) refinanced certain specific aircraft owned by, *inter alia*, GSH and ATL pursuant to a Loan Agreement dated as of March 26, 2012, as amended. The joint and several co-borrowers include Discovery, ATL, GSH, DMS and DATS, and they have each granted security over all present and after-acquired personal property.

⁵ Top Aces was subsequently removed from the CIBC Credit Agreement.

40. The principal amount owing to Roynat as at January 31, 2018, was approximately \$5.1 million, which debt matures on April 15, 2018.

41. The priority of the Roynat secured obligations is summarized above in paragraph 29.

(iii) ECN Financial Corporation

42. ECN Aviation Inc. (“ECN”), assignee of Element Financial Corporation, financed the acquisition of certain specific aircraft owned by GSH and ATL pursuant to (a) an Aircraft Loan Agreement dated as of January 31, 2014, as amended (the “1st ECN Credit Agreement”); and (b) an Aircraft Loan Agreement dated March 31, 2014, as amended (the “2nd ECN Credit Agreement”, and together with the 1st ECN Credit Agreement, as amended and/or restated from time to time, the “ECN Credit Agreements”). Discovery is the principal borrower and all or substantially all of its then subsidiaries were guarantors (including the Non-Applicant Subsidiaries and, originally, Top Aces) under both of the ECN Credit Agreements. The borrower and guarantors have secured these obligations through a grant of security over all personal property.

43. As of January 31, 2018, ECN is owed approximately \$0.7 million under the 1st ECN Credit Agreement and \$7.9 million under the 2nd ECN Credit Agreement.

44. The priority of the ECN secured obligations is summarized above in paragraph 29.

(iv) Textron Financial Corporation

45. Textron Financial Corporation (“Textron”) financed the acquisition of certain specific aircraft purchased by ATL, which ATL required to service a new contract it had been awarded in December 2014. The Textron loan was evidenced by certain promissory notes. Textron has security against specific aircraft owned by ATL as borrower and an unsecured guarantee as against Discovery. No other subsidiaries of Discovery are guarantors of these obligations. Textron also has an engine overhaul reserve account that holds approximately \$680,000.

46. The principal amount owing to Textron as at January 31, 2018 was approximately \$13.1 million, which debt matures on April 1, 2023.

47. The priority of the Textron secured obligations is summarized above in paragraph 29.

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(d) Intercreditor Agreement and Relative Priorities of Secured Debt

48. Each of the Discovery Air Group, Clairvest, CIBC, Textron, ECN and Roynat are party to an Intercreditor Agreement dated March 26, 2012 (as amended and/or restated from time to time, the “**Intercreditor Agreement**”). The Intercreditor Agreement, together with the underlying loan and security documents for each party to the Intercreditor Agreement is detailed and complex. The relative priorities agreed upon pursuant to the Intercreditor Agreement are summarized in the table above in paragraph 29.

(e) Unsecured Listed Debentures

49. The Unsecured Listed Debentures were issued by Discovery in the principal amount of \$34.5 million, pursuant an indenture dated May 12, 2011 (the “**Unsecured Listed Debentures**”). Other than certain intercompany obligations, the Unsecured Listed Debentures is the largest outstanding unsecured obligation of Discovery.

50. The Unsecured Listed Debentures accrue interest at a rate of 8.375% per annum, payable on a semi-annual basis. The Unsecured Listed Debentures are direct, unsecured obligations of Discovery, subordinated to other indebtedness for borrowed money, and rank equally with all other unsecured subordinated indebtedness. Although originally convertible into equity of Discovery, as a result of the Going Private Transaction the Unsecured Listed Debentures are no longer convertible into equity, but are convertible into cash in accordance with the terms of the indenture.

51. The Unsecured Listed Debentures have not been guaranteed by any members of the Discovery Air Group. The Unsecured Listed Debentures are believed by Discovery to be widely held, and neither Clairvest nor any of its direct or indirect subsidiaries owns any of the Unsecured Listed Debentures.

52. In November of 2014, the holders of the Unsecured Listed Debentures voted in favour of amendments to the indenture to: (i) extend the maturity date to June 30, 2018; and (ii) change the definition of “change of control” to permit Clairvest to acquire an equity interest in Discovery of more than 50% (e.g., in connection with the 2nd rights offering and the Going Private Transaction).

53. Discovery has made the interest payments required for the Unsecured Listed Debentures, including most recently in December of 2017 in the amount of approximately \$1.4 million. Discovery would not have been able to make this payment if the Top Ace Transactions had not occurred, which, among other things, provided the liquidity needed to make this interest payment.

54. The Unsecured Listed Debentures mature on June 30, 2018, at which point the principal plus remaining interest will be due. As set out above, Discovery does not have the funds to make these payments and Clairvest has said it will not fund them.

55. As set out in more detail below in paragraph 106, recently a holder of Unsecured Listed Debentures has made unfounded public complaints regarding the recent Top Aces Transactions.

(f) Other Debt of Discovery

(i) Other Unsecured Claims.

56. In addition to the matters noted above, as of January 31, 2018 Discovery has a nominal amount of known unsecured obligations including trade payables and severance obligations of approximately \$2.0 million as well as a small number of litigation matters.

IV. CASH MANAGEMENT

(a) Discovery Air Group Bank Accounts

57. Banking and operating borrowing facilities of Discovery and the Non-Applicant Subsidiaries are with CIBC and have been set up on a consolidating basis, such that the group's net balance at any point in time is the consolidated balances of all the accounts.

58. The main bank accounts of Discovery are with CIBC in London, Ontario. Discovery also has bank accounts with Royal Bank of Canada in Saskatoon, SK. The Discovery Air Group has accounts in both Canadian dollars and US dollars in the names of Discovery, as well as each of GSH, ATL and DMS. All balances in the Discovery Air Group's CIBC bank accounts are pooled into a consolidated cash pooling arrangement used by the group as a whole. Since the Top Aces Transactions, Top Aces and its subsidiaries are no longer part of the cash management system.

(b) Intercompany Obligations

59. The Discovery Air Group has various intercompany balances owing among themselves principally as a result of: (a) amounts originating from Discovery used to fund the operations of the rest of the Discovery Air Group; (b) costs incurred for corporate and back office services performed by Discovery for the benefit of the group; (c) intercompany cash management; (d) push down acquisition debt; (e) debt incurred for capital expenditures; and (f) tax planning.

60. Discovery is a net creditor of its subsidiaries. As of January 31, 2018, the intercompany balances of the Discovery Air Group, on a fully netted basis, are as follows:

- (a) GSH owes Discovery approximately \$138.3 million;
- (b) ATL owes Discovery approximately \$30.3 million;
- (c) Discovery owes DMS approximately \$18.5 million; and
- (d) DATS owes Discovery approximately \$20.2 million.

61. There are also immaterial intercompany balances as between certain of the subsidiaries themselves.

62. Prior to the completion of the Top Aces Transactions, Top Aces also had significant unsecured intercompany balances owing to each of Discovery, GSH and DATS and nominal balances owing to ATL. Discovery also had an unsecured obligation owing to Top Aces. As part of the Top Aces Transactions, the intercompany obligations previously owed by Top Aces have been repaid.

V. THE NON-APPLICANT SUBSIDIARIES

63. The Non-Applicant Subsidiaries are leaders in specialty aviation services, operating across Canada and in select locations internationally, including the United States, Bolivia, Australia, and Chile. As of January 31, 2018, the Discovery Air Group (excluding Top Aces) operates approximately 69 aircraft, employs approximately 460 flight crew, maintenance personnel and support staff, and provides services internationally to governments, airlines, and natural resource and other business customers.

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(a) GSH

(i) Corporate Information and Ownership

64. GSH is incorporated pursuant to the CBCA with its head office in Yellowknife. GSH is wholly owned by Discovery.

(ii) Business of GSH

65. GSH is one of the largest onshore helicopter operators in Canada and conducts operations through most parts of western and northern Canada as well as internationally. GSH's main base of operations is in Yellowknife, Northwest Territories. However, it has sub-bases placed strategically throughout northern and western Canada to help support its aircrew and maintenance personnel in the challenging environments and locations where many customers require GSH's services. GSH also has a hangar and office facility in Springbank, Alberta as well as a Chilean subsidiary which operates out of a facility in Rancagua, Chile.

66. GSH derives its revenue from mineral and gas exploration support, forest fire suppression services and the provision of services to government agencies and support for infrastructure work such as power line construction.

67. As of January 31, 2018, GSH employed approximately 250 non-unionized personnel and its fleet is comprised of approximately 51 light, intermediate and medium sized rotary wing aircraft. GSH does not maintain a registered pension plan for its employees.

68. GSH's seasonal forest fire suppression services in Chile peaks from October to April, while its Northern Canadian seasonal work peaks from May through September.

69. Over the last five (5) years, the business of GSH has declined significantly, resulting in the reduction of the fleet due to: a decline in the oil and gas and mining sectors and a decline in the helicopter charter services market. Although GSH has undertaken expansion efforts in recent years primarily in Chile, GSH's business has not been profitable for several years.

(iii) Financial Position of GSH

70. GSH is a guarantor under the CV Secured Debentures. GSH is a guarantor of the debt owing by Discovery to CIBC, a co-borrower of the debt owing to Roynat and a guarantor of the

debt owing to ECN. In connection with its guarantee and co-borrower obligations under these facilities, GSH granted security over all of its personal property to each of Clairvest, CIBC, Roynat and ECN.

71. As set out above, GSH has been historically heavily reliant on Discovery for funding. Discovery has advanced funds to GSH through intercompany loans on an unsecured basis which are discussed above in paragraph 60. GSH has consistently experienced significant losses in all recent years.

(b) ATL

(i) Corporate Information and Ownership

72. ATL is incorporated pursuant to the CBCA with its head office in Yellowknife, Northwest Territories. ATL is wholly owned by Discovery.

(ii) Business of ATL

73. ATL is a commercial fixed-wing charter company with its main base in Yellowknife.

74. ATL operates a diversified fleet of approximately 18 operational fixed-wing aircraft and provides scheduled and charter passenger and cargo services, as well as medevac-equipped aircraft services primarily in northern Canada. Its customers include government agencies, multinational diamond mining companies and various junior mining exploration companies.

75. ATL provides charter services to communities with limited or no overland access. It has developed strong relationships with various indigenous groups culminating in joint ventures that provide benefits to the various stakeholder groups in these communities.

76. ATL operates from two locations in Yellowknife: various facilities at the Yellowknife airport and a float base location on Great Slave Lake that is home to float aircraft in the summer and ski-equipped aircraft in the winter. ATL owns a building and hangers on leased land at the Yellowknife airport, and also owns the float base location on Great Slave Lake subject to water access easements. ATL also owns a hangar facility in Cambridge Bay, Nunavut.

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77. In 2014, ATL took cost-cutting measures, including the cessation of executive jet charter services and closing an associated Calgary base. Several aircraft were identified as being underutilized or no longer required and were sold to other subsidiaries.

78. As of January 31, 2018, ATL employs approximately 200 people. ATL does not maintain a registered pension plan for its employees.

79. Given the remote areas of Canada where ATL operates, ATL's business is highly seasonal and heavily dependent on weather conditions. Although ATL's business has continued to be affected by the stresses set out above, the actions taken to right-size ATL since 2014 have assisted in the stabilization of ATL financially on a cash flow basis. However, it is also an obligor under the secured debt owing to Clairvest, CIBC, Roynat, ECN and Textron.

(iii) Financial Position of ATL

80. ATL is the primary borrower under the Textron facility. ATL is a guarantor under the CV Secured Debentures. ATL is a guarantor of the debt owing by Discovery to CIBC, a co-borrower of the debt owing to Roynat and a guarantor of the debt owing to ECN. In connection with its guarantee and co-borrower obligations under these facilities, ATL granted security over all of its personal property to each of Clairvest, CIBC, Roynat and ECN.

81. As set out above, ATL has been historically heavily reliant on Discovery for funding. Discovery has advanced funds to ATL through intercompany loans on an unsecured basis which are discussed above in paragraph 60. ATL has experienced losses in recent years.

(c) DMS

(i) Corporate Information and Ownership

82. DMS is incorporated pursuant to the CBCA with its head office in Yellowknife. DMS is wholly owned by Discovery.

(ii) Business of DMS

83. DMS provides remote exploration camps and expediting, logistics and staking services to a broad spectrum of gold, base metal, uranium and diamond exploration companies as well as government customers operating in the Northwest Territories, Yukon, northern Saskatchewan

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and northern Ontario. Its customers typically operate in some of the most remote locations in Canada.

84. DMS's peak season is from June to August and January to March each year. It employs non-unionized contract labour to fulfil the labour needs at each camp and approximately 8 non-unionized full-time employees. DMS does not maintain any registered pension plans for its employees.

85. DMS has modest assets comprised of furniture, vehicles and outfitting or camp assets.

(iii) Financial Position of DMS

86. DMS is a guarantor under the CV Secured Debentures. DMS is a guarantor of the debt owing by Discovery to CIBC, a co-borrower of the debt owing to Roynat and a guarantor of the debt owing to ECN. In connection with its guarantee and co-borrower obligations under these facilities, DMS granted security over all of its personal property to each of Clairvest, CIBC, Roynat and ECN.

87. In recent years, DMS has generated a modest profit (not taking into consideration its guarantee obligations).

(d) DATS

88. DATS is an inactive subsidiary of Discovery which previously owned an aircraft maintenance and repair and overhaul business which provided services to the Discovery Air Group. In January 2016, DATS sold all of its assets to a third party.

89. DATS is a guarantor under the CV Secured Debentures, CIBC facility and ECN facility. DATS is also the tenant for Discovery's head office and has a residual contingent liability for its former leased location in Quebec.

90. DATS is reliant on Discovery for funding as DATS no longer carries on business. Discovery has advanced funds to DATS through intercompany loans on an unsecured basis which are discussed above in paragraph 60.

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VI. DEPENDENCIES OF THE DISCOVERY AIR GROUP

91. Although only Discovery is an applicant in this proceeding, the business and operations of Discovery are heavily intertwined with that of the Non-Applicant Subsidiaries. Areas of such inter-connection and inter-dependence within Discovery Air Group include:

- (a) numerous common creditors and financing arrangements containing cross-guarantees, cross-defaults and other linkages throughout the Discovery Air Group, as further detailed above;
- (b) financial support provided by Discovery to the Non-Applicant Subsidiaries, resulting in significant inter-company obligations owing from the Non-Applicant Subsidiaries to Discovery and umbrella insurance policies covering the entire Discovery Air Group;
- (c) Discovery's obligations in respect of the CV Secured Debentures were guaranteed by the other members of the Discovery Air Group, which obligations were secured through a grant of security over all present and after-acquired personal property of Discovery including a pledge of the shares of each of the Non-Applicant Subsidiaries;
- (d) common senior management and reporting structures pursuant to which the Non-Applicant Subsidiaries report to Discovery;
- (e) centralized decision-making by management of Discovery;
- (f) a common back office, including accounting, IT and administration;
- (g) common employee benefit programs;
- (h) centralized cash management, treasury and revolving loan facility provided by CIBC; and
- (i) provision of finance, treasury, cash management, tax compliance, annual KPMG audit / quarterly KPMG review management, loan compliance, forecasting,

budgeting, financial reporting, general accounting support, legal, and information technology support.

92. As discussed below, Discovery has recently undertaken various steps and transactions to make its subsidiaries less dependent upon Discovery for the performance of centralized administrative functions.

VII. TOPACES

(a) Corporate Information and Ownership

93. Top Aces, formerly known as Discovery Air Defence Services Inc., (i.e., DADS, as defined above) is a corporation amalgamated pursuant to the CBCA. It is owned by Top Aces Holdings Inc. ("**Top Aces Holdco**") a corporation incorporated pursuant to the CBCA. The ownership of Top Aces Holdco is discussed in further detail below in paragraph 104(c). The head office of Top Aces is in Dorval, QC.

(b) Business of Top Aces

94. The principal business of Top Aces is the supply of airborne training services, which provide the adversary force required to exercise and train a modern, operationally capable, multi-purpose combat force. Top Aces is the primary supplier of contracted airborne training services to the Canadian Department of National Defence, the German Armed Forces and the Australian Defence Force and a supplier of airborne training services to other militaries around the world.

95. In 2005, the founding partners of Top Aces were awarded the Interim Contracted Airborne Training Services ("**ICATS**") contract to deliver fast air support to the Department of National Defence in 2005.

96. Since 2005, Top Aces has derived its revenue under the ICATS programme from "standing offers", which are offers from Top Aces to provide goods or services at pre-arranged prices and under set terms and conditions, when and if required. The ICATS standing offers were the subject of a new request for proposals in August of 2015. Top Aces continued to provide services under the ICATS agreement pending the award of the new long term Contracted Airborne Training Services ("**CATS**") contract, which award process took over two (2) years to complete. During that competitive process carried out by the Canadian government for the

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CATS contract, it was unclear whether Top Aces would be awarded that contract, thus making its viability unknown during that period.

97. On October 27, 2017, Top Aces was selected as the winner of the CATS contract and finalized those arrangements with the Canadian government as of October 30, 2017.

98. Although the CATS contract is the backbone of Top Aces' business, Top Aces has invested significantly to develop other sources of revenue. In recent years, Top Aces has made significant efforts to expand its business internationally based on management's belief that there are significant growth opportunities for Top Aces in the international combat support and adversary training markets.

99. Top Aces presently employs approximately 220 non-unionized flight crew, maintenance, administrative and management personnel situated at premises located across Canada, the United States, Germany and Australia that are either leased or provided by the local operator.

(c) Funding Requirements and Financial Position of Top Aces

100. The Top Aces business is capital intensive given the requirements to maintain and upgrade its aircraft, and for working capital purposes. The specialized nature of its business and its heavy oversight due to the government contracts it services contribute to its capital requirements. Attempts in recent years to obtain separate financing for Top Aces while it remained a subsidiary were unsuccessful due to, among other things, the continued under-performance of the Discovery's business, Discovery's weak balance sheet, as well as the uncertainty through to October 2017 as to whether Top Aces would be awarded the CATS contract. Top Aces was also a guarantor under several of the principal secured debt obligations noted above (i.e. Clairvest, CIBC, ECN) and had granted general security over all of its assets in connection with those obligations further limiting Top Aces' ability to acquire separate financing.

101. As with the Discovery Air Group, Top Aces could not have survived without the extensive financial and other support provided by Clairvest in recent years.

(d) The Top Aces Transactions

(i) Overview of the Top Aces Transactions

102. The award of the CATS contract was essential for Top Aces' continued viability. However, in order to perform under that contract, Discovery determined that Top Aces would require at least an additional \$30 million for capital expenditures and other work. At that time, Top Aces was an obligor under the secured debt owing by Discovery and the other members of the Discovery Air Group to Clairvest, as well as under the CIBC Credit Agreement and the ECN facility. As of November 30, 2017, Top Aces also had outstanding gross intercompany debt owing to the Discovery Air Group of approximately \$62 million (before taking into consideration the gross intercompany debt owing to Top Aces by members of the Discovery Air Group of approximately \$35 million).

103. Culminating in December 2017, Top Aces, Discovery, Clairvest, CIBC and others undertook a series of transactions (the "**Top Aces Transactions**") which achieved three key objectives: (i) deleverage the Top Aces balance sheet to increase the prospects of its long-term viability; (ii) raise additional funding for capital expenditures to perform the CATS contract; and (iii) put in place new bank financing to address the company's working capital requirements.

104. Details regarding the various transactions comprised of the Top Aces Transactions have been disclosed by Discovery through press releases which are attached collectively as **Exhibit "E"**. A brief summary of the Top Aces Transactions is as follows:

- (a) Conversion Transactions: On December 14, 2017, Discovery announced that Clairvest had exercised its conversion rights to exchange (i) a total of \$41.2 million of principal and payment-in-kind interest under the two Top Aces Credit Agreements; and (ii) \$18.4 million of secured debt owing under the CV Secured Debentures pursuant to the Swap Letter, for shares of Top Aces;
- (b) Top Aces/ BNS Credit Agreement: On December 15, 2017, Top Aces entered into a credit agreement with CIBC, as administrative agent, and CIBC and The Bank of Nova Scotia, as co-lead arrangers and co-bookrunners and the other lenders party thereto from time to time (the "**Top Aces/BNS Credit Agreement**") for the

provision of a revolving credit facility up to a maximum of \$15 million, a term loan facility up to a maximum of \$22.5 million and a capex line facility up to a maximum of \$42.5 million and an LC credit commitment of \$1.25 million. In connection with the Top Aces/BNS Credit Agreement, certain Top Aces subsidiaries have granted guarantees and general security over their property assets and undertaking. Top Aces Holdco has also granted a limited guarantee and pledged its shares in Top Aces as security in support of its guarantee;

(c) Third Party Investment: On December 22, 2017, Discovery announced a new equity subscription for shares of Top Aces whereby: (i) Discovery sold the majority of its remaining shares in Top Aces Holdco⁶ to a group of third party institutional lenders led by JP Morgan Asset Management (the “Investors”) for \$25 million; and (ii) Top Aces Holdco issued an additional \$25 million of shares from treasury to the Investors, resulting in a net \$50 million investment by the Investors to effectively acquire approximately 25% of Top Aces Holdco. With the completion of the transactions with the Investors, the new and current ownership of the equity of Top Aces Holdco is: (i) Clairvest – 64.7%; (ii) JP Morgan Investmentco – 25.6%; and (iii) Discovery – 9.7%;

(d) Repayment of Intercompany Debt: In order to complete the transactions above with CIBC and the Investors, it was necessary for Top Aces to deleverage its balance sheet, including resolving its outstanding intercompany obligations owing to and from the Discovery Air Group (with a net balance owing by Top Aces to Discovery and other members of the Discovery Air Group of approximately \$27 million). Accordingly, as part of the Top Aces Transactions, the Discovery Air Group and Top Aces set off and repaid its net intercompany indebtedness; and

⁶ Top Aces Holdco is the 100% owners of Top Aces Inc. Top Aces Holdco was incorporated in December 2017 as a result of certain security and ownership requirements required by the Canadian government in connection with the CATS contract, in anticipation of the new equity raise. With the incorporation of Top Aces Holdco, shares of Top Aces held by each of Discovery and Clairvest were exchanged (on a proportionate basis to their previous ownership interests in Top Aces) for shares in Top Aces Holdco, with Top Aces becoming a wholly-owned subsidiary of Top Aces Holdco.

(e) Release of Secured Debt Obligations: In connection with the Top Aces Transactions, each of the CV Secured Debentures, CIBC Credit Agreement and ECN Credit Agreements were amended and reduced resulting in the release of Top Aces from any and all obligations under its previous guarantees and grants of security.

105. As discussed below, as it relates to Discovery, the impact of the Top Aces Transactions resulted in the reduction of over \$60 million of secured debt previously on Discovery’s balance sheet (and similarly benefitting each of the Non-Applicant Subsidiaries, being guarantors of that debt).

(ii) Bondholder Response to Top Aces Transactions and Past Transactions between the Discovery Air Group and Clairvest

106. Discovery is aware of recent complaints from a holder of Unsecured Listed Debentures regarding transactions between the Discovery Air Group and Clairvest, including the Conversion Transactions and the Top Aces Transactions. In particular, Randy Durig of Durig Capital Inc., who has advised me that his company acquired a position in the Unsecured Listed Debentures on a discounted basis in the spring of 2017, wrote to me (among others) on December 19, 2017 to make a number of allegations. A copy of that letter is attached as **Exhibit “F”**.

107. I replied to Mr. Durig’s letter on January 4, 2018, a copy of which is attached as **Exhibit “G”**. As noted in my letter, I believe that the allegations made by Mr. Durig are factually incorrect and legally flawed.

108. Discovery is aware of similar complaints and allegations that have been published online in blogs, apparently as part of an attempt by Mr. Durig to organize bondholders. Again, I believe that these complaints and allegations are misguided and unfounded.

(e) Allocation of Services

109. Discovery and Top Aces Inc. previously entered into a cost sharing agreement (the “**Cost Sharing Agreement**”) dated as of December 21, 2017, providing for the sharing of certain information technology, payroll, governance and other services and the costs related to the personnel who provide such services, and Discovery has to date provided such services to GSH,

ATL, DMS and DATS (collectively, “**Shared Services**”). Discovery is in the process of transferring to Top Aces and the Non-Applicant Subsidiaries (where appropriate) certain agreements, contracts, licenses, information and other assets pursuant to which Discovery provides, or has provided, the Shared Services to ensure that those services will not be interrupted during the course of these proceedings, and to provide for continuity in the provision of the Shared Services until such transfers are complete, and the businesses become adequately self-sufficient in this regard (the “**Transition Process**”). The Transition Process is expected to take up to nine (9) months (the “**Transition Period**”), during which time Top Aces and the Non-Applicant Subsidiaries and any purchaser of any of the businesses thereof may require that Shared Services be provided by one or more of Top Aces, Discovery, or a Non-Applicant Subsidiary.

110. To document the process undertaken to achieve the foregoing result, Discovery, Top Aces and the Non-Applicant Subsidiaries have begun negotiations for a new Shared Services Agreement which will be entered into post-filing. It is anticipated that such agreement would enhance the prospect of attracting prospective purchasers for the businesses of the Non-Applicant Subsidiaries by ensuring the continuity of critical services until such time that the business can operate independently.

VIII. THE PROPOSED CCAA PROCEEDINGS AND REQUESTED RELIEF

111. Discovery continues to face significant challenges as extensively referred to in my affidavit. Ultimately, the timing of this CCAA application by the Applicant is a function principally of insufficient liquidity to pay the very significant obligations imminently coming due.

112. Discovery does not have sufficient liquidity to service the interest payments or repay its existing debt as it matures in the near term, including under the Unsecured Listed Debentures (maturing June 30, 2018), the CV Secured Debentures (maturing May 5, 2018), the Roynat facility (maturing April 15, 2018) and the CIBC Credit Agreement (maturing April 30, 2018).

(a) Discovery is Insolvent

113. I am advised by Mario Forte of Goldman Sloan Nash & Haber LLP, Discovery’s legal counsel, that the CCAA requires that: (i) one or more applicants thereunder must be subject to claims that in the aggregate exceed \$5 million; and (ii) the applicants must be insolvent, in order for a CCAA application to be granted and an Initial CCAA Order made by the Court.

114. As noted above, the aggregate claims against the Applicant exceed the requirements of the CCAA. Further, and for the reasons set out in this affidavit, the Applicant is insolvent and will be unable to meet its obligations as they come due without the benefit of an Initial CCAA Order and the receipt of interim financing. If the Applicant is not permitted the opportunity to pursue these restructuring transactions and instead progresses to bankruptcy, the expected proceeds of the Applicant’s assets and business would be insufficient to pay in full the claims of its creditors (including those claims arising by virtue of the Applicant’s ceasing to operate). The proposed sale process (discussed below) will also allow for the Non-Applicant Subsidiaries and all of their creditors (including the secured creditors) to continue operations without disruption which is best accomplished through the CCAA process.

(b) Discovery’s Cash Flow Projections

115. The Applicant, with the assistance of KSV Kofman Inc. (“KSV” or the “**Proposed Monitor**”), has prepared a cash flow projection to determine the amount required to finance the Discovery Air Group’s operations for the next 13 weeks, assuming the relief sought is granted. The 13-week cash flow forecast is attached as **Exhibit “H”**. Based on the cash flow forecast, if the interim financing (discussed below) is not approved, the Discovery Air Group will have insufficient liquidity to meet its cash flow needs through to the end of the 13-week forecast period.

(c) The Anticipated Sale Process

116. If the Initial CCAA Order is granted, it is Discovery’s intention to very shortly file a motion (the “**SSP Motion**”) seeking approval of, among other things,

- (a) authorization to enter into four (4) stalking horse agreements with Clairvest (the “**Stalking Horse Agreements**”) for the sale (the “**Transactions**”) of (i)

Discovery's remaining minority interest in Top Aces Holdco; (ii) Discovery's shares in GSH; (iii) Discovery's shares in ATL; and (iv) Discovery's shares in DMS; in each case along with various ancillary assets, claims and contracts that relate to each subsidiary or its business; and

- (b) a SSP setting out the process for solicitation of bids on any or all of the Transactions and the auction procedures in the event that additional "qualified bids" are received in respect of one or more of the proposed Transactions.

117. In connection with the proposed SSP, Discovery has been negotiating the terms of the Stalking Horse Agreements with Clairvest, who has agreed to act as the stalking horse bidder in connection with each transaction and will be bidding and/or proposing an assumption of some or all of the remainder of its secured debt as the purchase price under the Stalking Horse Agreements. The proposed sale of each of the businesses of GSH, ATL and DMS under the Stalking Horse Agreements will be as a "share sale" resulting in the continuing operations of the businesses, employment of employees and ongoing servicing of debt (including the cross guaranteed secured debt) at the subsidiary level. The Proposed Monitor has been kept apprised of the negotiation of the Stalking Horse Agreements.

118. If the SSP Motion is approved, it is contemplated that the Proposed Monitor (once appointed) will conduct, supervise and run the SSP. Although I anticipate Discovery will have consultative rights during this process, the allocation of responsibility to the Proposed Monitor will ensure a fair and impartial sale process is conducted and any conflicts of interest will be avoided.

119. Although I understand that many times, these processes require a certain degree of flexibility, it is currently anticipated that the proposed sale process under the SSP would last approximately 90 to 120 days.

(d) Proposed Initial CCAA Order

120. Discovery is seeking the Initial CCAA Order substantially in the form of the model order adopted for CCAA proceedings commenced in Toronto, Ontario, subject to certain changes as

reflected in the proposed form of order contained in Discovery's Application Record. Certain key relief sought is set out below.

(i) Stay of Proceedings for Discovery and the Non-Applicant Subsidiaries

121. A stay of proceedings is needed while the Discovery Air Group navigates its restructuring and ensures the stability and preservation of the value of the business.

122. As noted herein, the principal purpose of these proceedings is to permit an orderly sale of the businesses carried on through the Non-Applicant Subsidiaries and Discovery's interest in Top Aces. It is essential that the businesses of the Non-Applicant Subsidiaries be protected while that sale process is being conducted because, among other things, certain of the contracts at the subsidiary level may have cross defaults which could be triggered as a result of a filing by Discovery. Many of the Non-Applicant Subsidiaries officers and directors are also officers and directors of Discovery.

123. Accordingly, the Applicant is seeking to extend the benefit of a limited stay of proceedings in these proceedings to the Non-Applicant Subsidiaries and their officers and directors in order to: (i) ensure stability through this restructuring process; and (ii) avoid a situation in which the insolvency of Discovery and the commencement of these proceedings are relied upon as the basis for commencing adversarial proceedings, contract terminations, or other adverse steps as against the Non-Applicant Subsidiaries and their respective businesses. Essentially, the Applicant is seeking to extend a stay to the Non-Applicant Subsidiaries only with respect to any rights or remedies triggered by reason of the Applicant being insolvent or having commenced this CCAA proceeding, or the maturity of any existing secured debt occurring during the course of the CCAA proceedings. The extension of a limited stay of proceedings to the Non-Applicant Subsidiaries is intended solely to preserve the status quo – in all other respects, it is intended to be "business as usual" for the key business operations of the Discovery Air Group.

124. A limited stay of proceedings is not being sought at this time for Top Aces, due principally to the fact that: (i) Discovery owns only a small interest in Top Aces and the sale of that minority interest (and the insolvency of the owner of that minority interest) is unlikely to

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trigger adverse consequences for Top Aces or its business; and (ii) Top Aces is not a principal debtor or guarantor with respect to any of the debt of the Discovery Air Group.

(ii) Administration Charge

125. It is proposed that the Monitor, its counsel, and the Applicant's counsel be granted a super priority court-ordered charge on the assets of Discovery as security for their fees and disbursements relating to the services rendered in respect of Discovery in an amount not to exceed \$750,000 in the aggregate (the "**Administration Charge**"). The Administration Charge is intended to secure the fees of the Monitor, its counsel, and the Applicant's counsel associated with the preparation for these CCAA proceedings and activities during the proceedings.

126. The Applicant worked with the proposed Monitor to estimate the proposed quantum of the Administration Charge and believes it to be reasonable and appropriate in view of the complexities of Discovery's CCAA proceedings and the services to be provided by the beneficiaries of the Administration Charge.

(iii) Protection of Directors and Officers

127. To ensure the ongoing stability of the Discovery Air Group's business during the CCAA proceeding and to enhance the prospects of a successful restructuring, the Applicant requires the continued participation and guidance of the respective directors and officers of the Discovery Air Group. Accordingly, the Applicant is seeking typical provisions staying all proceedings against the directors and officers of the Discovery Air Group with respect to all claims against the directors or officers that relate to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in such capacity.

128. In addition, I am advised by my legal counsel, and believe that, in certain circumstances, directors can be held liable for certain obligations of a company owing to employees and government entities, which may include unpaid accrued wages, unpaid accrued vacation pay; and unremitted sales, goods and services, and harmonized sales taxes.

129. The Applicant maintains an existing insurance policy with respect to directors' and officer's liability. This policy covers an aggregate annual limit of \$25,000,000, which covers a variety of circumstances where the Applicant's directors and officers might face claims for

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liability. Furthermore, in the present circumstances, it is not practicable to obtain at reasonable cost further coverage that is satisfactory.

130. In light of the potential liabilities, the ambiguity under the policy and the difficulty in obtaining additional coverage on acceptable terms and costs, the Applicant's directors and officers have indicated that their continued service and involvement in the CCAA proceedings is conditional upon the granting of an Order under the CCAA that grants a super priority charge in favour of the directors and officers of the Applicant in the amount of \$100,000 on the assets, property, undertaking and business of the Applicant (the "**Directors' Charge**"). The Directors' Charge constitutes security for indemnification obligations for the directors' and officers' potential liabilities as set out above and allows the Applicant to continue to benefit from the expertise and knowledge of its directors and officers.

131. The quantum of the proposed Directors' Charge has been discussed with the proposed Monitor, and the proposed Monitor has informed me that it concurs with the reasonableness of this amount in the circumstances. Similarly, the Applicant views the quantum of the Directors' Charge as reasonable in the circumstances.

(iv) The Monitor

132. KSV has consented to act as the Court-appointed Monitor of Discovery, subject to Court approval. KSV has also prepared a Pre-Filing Report in order to assist this Court with its consideration of the Applicant's application and the relief requested by the Applicant in connection with its CCAA filing.

133. KSV is a trustee within the meaning of Section 2 of the *Bankruptcy and Insolvency Act* (Canada), as amended, and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA.

134. KSV has been working with the Discovery Air Group, Clairvest and their respective legal counsel in the lead-up to the making of this CCAA application and has familiarity with the Discovery Air Group's business and operations. KSV has assisted the Discovery Air Group with the preparation of a 13-week cash flow projection, as required by the CCAA, that shows Discovery can continue to operate during that period with the benefit of interim financing. KSV

is experienced with this type of proceeding, and is well suited to the role of Court-appointed Monitor in these particular proceedings.

135. KSV, as proposed monitor, is supportive of the relief being sought in the Initial Order, including, among other things, the existence and amounts of the proposed Court-ordered charges.

(v) Interim Financing

136. In order to continue to operate during these proceeding, it is apparent from the 13-week cash flow projection that the Applicant requires interim financing (“**Interim Financing**”) as there would otherwise be insufficient monies to pay the operating expenses of the Discovery Air Group and costs associated with the CCAA proceedings. The Applicant requires this interim financing to provide an immediate source of cash funding and to provide stability during the CCAA proceeding. As a result, in the lead-up to the CCAA proceeding, Discovery negotiated with CEP IV Co-Investment Limited Partnership (a member of the Clairvest group) (the “**DIP Lender**”) regarding its interest in providing financing to the Applicant that is required in connection with the CCAA proceeding.

137. Pursuant to a DIP term sheet dated as of March 21, 2018 (the “**DIP Term Sheet**”) entered into by the Applicant and the DIP Lender, the DIP Lender is prepared to advance interim financing (the “**DIP Facility**”) of up to \$12.6 million on the terms and conditions set out therein. Advances under the DIP Facility will bear interest of 10% per annum and the obligations will be fully payable on the maturity date which is the earliest of (a) the occurrence of an event of default under the DIP Term Sheet; (b) completion of the Transactions; and (c) December 21, 2018. A copy of the DIP Term Sheet is attached as **Exhibit “T”**.

138. The Applicant is seeking a charge on its assets, property, undertaking and business to secure the DIP Facility (the “**DIP Charge**”). The DIP Lender has requested that such DIP Charge be granted on a super-priority basis only over the assets over which Clairvest already has first-priority security. Any first priority security held by any of the other secured lenders would continue to take priority even over the DIP Charge.

139. It is a condition of the DIP Credit Agreement that the Applicant obtain approval of the DIP Credit Agreement and the DIP Charge in the Initial CCAA Order.

140. The Applicant believes that having access to the DIP Facility will provide flexibility and sufficient time to pursue its restructuring objectives. The Applicant consulted with its advisors and the proposed Monitor regarding the DIP Facility, and it anticipates that the DIP Facility will satisfy its funding requirements at this time and for the foreseeable future.

141. I understand that in some cases, it may be common to solicit debtor in possession financing from multiple sources to ensure the best financing terms are obtained. However, in Discovery's case, where, among other things, (a) there is a complex secured debt structure involving multiple lenders who have differing priorities; (b) the only entity filing for CCAA protection is the parent company and operating companies are not applicants; and (c) there is very little liquidity and no remaining unencumbered assets, I believe that attempting to obtain any such financing would be virtually impossible. To the extent that any lender did consider providing financing, based on my experience as a CFO, I would expect such lender to require extensive diligence, additional fees and want priority security on all assets including the subsidiaries.

142. KSV has been kept apprised of the negotiations regarding the DIP Facility and I understand will include an analysis in its pre-filing report as to pricing of this DIP Facility, the lack of any other realistic prospects and other matters including the review of Clairvest's existing security by KSV's counsel.

143. In my view, the DIP Facility is crucial to a successful restructuring as described in my affidavit and is in the best interests of the substantial majority of stakeholders.

(vi) Cash Management and Intercompany Financing

144. During the CCAA period, the Non-Applicant Subsidiaries will continue to require funding from Discovery as well as the provision of ongoing corporate and back office services from Discovery in the ordinary course. This will require those Non-Applicant Subsidiaries to access funds in accordance with the pooling arrangements under its cash management system and for Discovery to fund those companies from time to time. The proposed Initial CCAA Order allows the use of such accounts to continue without any liability to the Discovery Air Group's operating bank.

145. The funding provided by Discovery to its Non-Applicant Subsidiaries will largely be financed through the provision of Interim Financing which would not be available to Discovery absent the granting of the DIP Charge. As such, Discovery is also requesting that the advances that it makes to its Non-Applicant Subsidiaries be secured by a court-ordered charge (the “**Intercompany Charge**”) resulting in the Non-Applicant Subsidiary receiving any such funds having a secured obligation to repay such funds to Discovery. That intercompany security will also be assigned to Clairvest as part of the security package under the DIP Credit Agreement.

146. Similarly, given the structure of the operating accounts, Discovery will need to continue to access the CIBC operating line. As set out in the 13-week cash flow forecast, it is anticipated that Discovery will remain in an over-advance position such that all funding available to it will be through the DIP Financing. However, to the extent that additional revenue is generated to increase Discovery’s borrowing base during that period, any corresponding reduction in the over-advance may be drawn on by Discovery from time to time. The proposed Initial CCAA Order confirms and clarifies that CIBC remains in first priority with respect to its currently held priority security for any technical post-filing “borrowing” that may occur in this scenario.

(vii) Post-Filing Interest Payments on Secured Debt Facilities

147. During the course of the CCAA Proceeding, Discovery intends to continue to make interest payments on its secured debt facilities with CIBC, ECN and Roynat but no payments will be made in respect of the CV Secured Indebtedness. Discovery will make scheduled payments in respect of the Interim Financing as set out in the DIP Term Sheet. ATL will continue to make its required payments in connection with the Textron facility.

148. Discovery also intends to make the final principal payment on the Roynat facility due on April 15, 2018 but the maturity of the loan will be subject to the stay. Discovery does not make periodic payments of principal on any of its other secured debt facilities.

(viii) KERP

149. As set out above, Discovery continues to provide certain key corporate, managerial, legal, financial and other services to the Non-Applicant Subsidiaries and, to a lesser degree, Top Aces. In order to facilitate and complete the proposed sale process and execute successful transactions,

Discovery requires the ongoing support of such key personnel. As such, Discovery has negotiated the terms of a KERP with the six (6) Discovery employees (being all of the Discovery employees including myself but excluding Alan Torrie) (the “**KERP Employees**”) for the period needed to complete the transactions. The KERP has been considered and recommended by Discovery’s human resources committee.

150. Pursuant to the proposed KERP, provided that each KERP Employee remains with Discovery and performs his or her contractual duties, each of the KERP Employees will be entitled to receive a lump sum payment (a “**Retention Award**”) the earliest of certain agreed upon events set out in the KERP (the “**Payment Date**”). The maximum aggregate obligation under the KERP is approximately \$1.65 million. Copies of the KERP (attached to the form of letter agreement entered into with each of the KERP Employees) and the individual entitlements under the KERP are attached hereto as **Exhibit “J”** and **Confidential Exhibit “K”** respectively. The individual entitlements to the KERP Employees on the Confidential Exhibit contain sensitive personal compensation information. As such, Discovery is asking that the Confidential Exhibit be sealed pending further Order of this Court.

151. In connection with the KERP, Top Aces has agreed to be responsible for approximately 40% of the KERP amount as the KERP Employees have historically and will continue to provide certain support functions to Top Aces.

152. As security for the Applicant’s obligation under the KERP, the Applicant is seeking a super priority charge (the “**KERP Charge**”) on the Applicant’s property to secure its payment and performance obligations under the KERP. The proposed KERP Charge has been discussed with the proposed Monitor who has informed me that it believes such a charge is reasonable in the circumstances.

(ix) Ranking of Court-Ordered Charges and Comeback Motion

153. The Applicant is seeking approval of the court-ordered charges set out above including priority over all other obligations of the Applicant as follows:

- (a) First, the Administration Charge;

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- (b) Second, the Directors' Charge; and
- (c) Third, the KERP Charge.

154. With respect to the DIP Charge the Applicant is requesting that the DIP Charge be given priority over the security held by Clairvest in respect of the Clairvest Secured Indebtedness but is not requesting that the DIP Charge take priority over any of the other charges or any other secured indebtedness of the Applicant including the security held by CIBC, Roynat, ECN and Textron to the extent that such security has priority over the Clairvest security. Similarly, the Applicant is requesting that the Intercompany Charge be given priority over the security held by Clairvest in respect of the Clairvest Secured Indebtedness owing by the Non-Applicant Subsidiaries but is not requesting that such charge take priority over any other priority security held against the assets of the Non-Applicant Subsidiaries. Clairvest has consented to the proposed priority of the charges including the DIP Charge and the Intercompany Charge.

(xi) Chapter 15 Proceedings

155. A Chapter 15 recognition proceeding under the U.S. Bankruptcy Code may be necessary in respect of the Discovery Air Group as a result of creditors or other matters in the United States. Although no application is currently planned, to prevent delay should a Chapter 15 proceeding prove necessary, the Applicant is seeking in the Initial CCAA Order to have the Monitor authorized, but not required, to act as a foreign representative in any ancillary proceedings without further Order of the Court. Such relief will further aid in the stabilization of the Discovery Air Group's business and enhance the prospects of a successful restructuring to the benefit of the Applicant's stakeholders.

IX. CONCLUSION

156. As is evident from the above, for the last several years, the Applicant has been able to survive only with the repeated and extensive assistance, support and accommodation provided by Clairvest. The Applicant is now faced with the incontrovertible fact that it is unable to service, repay or refinance its maturing debt obligations. Clairvest has informed Discovery that it will not fund the amounts required to repay the obligations coming due or grant further waivers or other relief to the Discovery Air Group, and clearly Discovery's existing debt structure will not allow


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it to refinance in a way that such obligations could be satisfied. As such, a CCAA proceeding is required to transition Discovery's remaining businesses into safe (and solvent) hands.


157. The relief sought in the Initial CCAA Order, including the stay of proceedings and the DIP Facility, has been tailored to the Applicant's particular circumstances and will provide the Applicant with the protections and breathing room that it needs in order to pursue its restructuring efforts. This relief: (a) is necessary to enable the Discovery Air Group to operate while in the CCAA proceeding with minimum disruptions to its business; (b) is important to the Discovery Air Group's goal of implementing the proposed Transactions or other value-maximizing transactions pursuant to the SSP; and (c) best serves the interests of stakeholders in the ongoing operating businesses in GSH, ATL and DMS, including its employees, landlords, customers and suppliers.

158. I am confident that the granting of the Initial CCAA Order, with the relief requested, is in the best interests of the Discovery Air Group and its many stakeholders.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 21st day of March, 2018.



Commissioner for taking affidavits



PAUL BERNARDS

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
DISCOVERY AIR INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

AFFIDAVIT OF PAUL BERNARDS
(sworn March 21, 2018)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Fax: 416-597-6477

Mario Forte (LSUC#: 27293F)
Tel: 416.597.6477
Email: forte@gsnh.com

Michael Rotsztain (LSUC#: 17086M)
Tel: 416.597.7870
Email: rotsztain@gsnh.com

Jennifer Stam (LSUC#: #46735J)
Tel: 416.597.5017
Email: stam@gsnh.com
Lawyers for the Applicant

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TAB 4

Court File No.: CV-18-594380-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**AFFIDAVIT OF PAUL BERNARDS
(sworn March 28, 2018)**

I, Paul Bernards, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY:

- 1. I am the Chief Financial Officer of Discovery Air Inc. ("**Discovery**" or the "**Applicant**"), a position that I have held since April 1, 2014. Prior to that time, I was a consultant to Discovery from March 17 to April 1, 2014. As such, I have personal knowledge of the matters to which I hereinafter depose in this Affidavit. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, believe it to be true.
- 2. This Affidavit is sworn in support of a motion by Discovery for orders, *inter alia*, approving:
 - (a) The Stalking Horse Agreements (defined below) for the purposes of constituting stalking horse bids in the SSP (defined below);
 - (b) a sale solicitation process ("**SSP**") for the sale of, among other things, Discovery's shares of Top Aces Holdings Inc. ("**TA Holdings**"), Great Slave Helicopters Ltd. ("**GSH**"), Air Tindi Ltd. ("**ATL**") and Discovery Mining Services Ltd. ("**DMS**"); and

(c) An extension of the Stay Period (defined below) to and including June 29, 2018.

BACKGROUND

3. On March 21, 2018, Discovery was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), pursuant to an initial order (the "Initial Order") of this Honourable Court and KSV Kofman Inc. was appointed as monitor (the "Monitor") in the CCAA proceedings.

4. Further details regarding the background of Discovery and the facts leading up to these proceedings are set out in my initial affidavit sworn March 21, 2018 (my "Initial Affidavit"), and therefore not repeated herein.

EVENTS SINCE FILING

5. Since the commencement of the CCAA proceedings, Discovery has been in communication with many of its and its subsidiaries' key stakeholders to advise them of the proceedings and to assure key customers, suppliers and employees of the subsidiaries of the intention to continue to operate in the ordinary course during these proceedings.

6. Additionally, Discovery has had communications with its principal secured lenders with respect to the commencement and purpose of these proceedings, including the SSP. I am also aware that certain of Discovery's unsecured bondholders have contacted Discovery since the filing. Any such communications have been forwarded to the Monitor and I understand the Monitor will also provide an update on these communications in its report.

7. On March 27, 2018, the Toronto Stock Exchange ("TSX") sent a notice to Discovery providing notice that it had determined to delist Discovery's securities effective at the close of market on April 27, 2018. Further, the TSX indicated that trading will remain suspended.

THE STALKING HORSE AGREEMENTS

8. As set out in my Initial Affidavit, the main purpose of Discovery's CCAA proceedings is to allow for the sale of Discovery's remaining assets, which are comprised of its equity interests in GSH, ATL, DMS, its minority interest in TA Holdings, and other miscellaneous assets. In furtherance of that process, Discovery and Clairvest (defined below) have negotiated the terms of

four (4) stalking horse agreements all dated as of March 21, 2018, pursuant to which Clairvest has agreed to act as a “stalking horse purchaser” in connection with Discovery’s sale of its equity interest in each of GSH, ATL and DMS (referred to herein as the “**GSH Stalking Horse Agreement**”, “**ATL Stalking Horse Agreement**” and “**DMS Stalking Horse Agreement**” and collectively, the “**Northern Stalking Horse Agreements**”), its remaining minority interest in TA Holdings (the “**TA Stalking Horse Agreement**” and together with the Northern Stalking Horse Agreements, the “**Stalking Horse Agreements**”), and all further assets of Discovery, including intercompany obligations owed to Discovery by its subsidiaries and all claims and causes of action of Discovery against other persons. Copies of the Stalking Horse Agreements are attached hereto as **Exhibits “A” through “D”**.

9. As set out in more detail in my Initial Affidavit, Clairvest Group Inc. and its affiliates, including certain funds managed by Clairvest Group Inc. (collectively, “**Clairvest**”¹ and references to “**Clairvest**” herein may refer to any or all such affiliates and/or funds, as applicable), among other things, was owed over \$72.7 million as at January 31, 2018 pursuant to certain secured debentures (the “**CV Secured Debentures**”) issued by Discovery to Clairvest in September 2011, and is Discovery’s DIP lender pursuant to a DIP Term Sheet dated as of March 21, 2018 (the “**DIP Term Sheet**”) pursuant to which Clairvest has provided Discovery a \$12.6 million DIP facility (the “**DIP Facility**”) to fund operations of Discovery and its subsidiaries during these CCAA proceedings. The purchase price for each of the Stalking Horse Agreements constitutes either a bid of or proposed assumption of Clairvest’s secured debt owing under either or both of the CV Secured Debentures and/or the DIP Facility.

10. References should be made to the Stalking Horse Agreements themselves for their specific terms and conditions. Briefly, some of the key terms of the Stalking Horse Agreements are as follows:²

¹ As applicable, the term “Clairvest” may also include Mr. G. John Krediet, an individual investor within the Clairvest group.

² The summary set out herein of the Stalking Horse Agreements is for informational purposes only.

TA Stalking Horse Agreement

Parties: Seller: Discovery

Buyers: CEP IV Investment Limited Partnership, Clairvest Equity Partners IV Limited Partnership, DA Holdings Limited Partnership and G. John Krediet

Price Credit bid of Clairvest secured indebtedness under the CV Secured Debentures and/or DIP financing in the aggregate amount of \$20,825,000 plus certain Assumed Liabilities (defined below)

Shares Being Sold 253.83602 issued and outstanding Class A common shares of TA Holdings (“TA Shares”)

Other Assets Being Sold (i) certain other assets, property and undertaking owned by Discovery and used solely in connection with or for the benefit of the Top Aces business; and

(ii) all residual assets of Discovery, excluding those assets being sold as part of the other stalking horse transactions, but including certain Assigned Contracts (defined and discussed below) and claims and causes of action of Discovery against other persons

Assumed Liabilities The Buyer agrees to assume the following liabilities of Discovery (the “Assumed Liabilities”):

(i) obligations under any assigned contracts; and

(ii) certain “permitted encumbrances” being, those encumbrances which are imposed by applicable law and rank in priority to the security held by Clairvest and any transfer restrictions on the TA Shares.

Key Conditions The completion of the transaction is subject to a number of conditions for the benefit of the Buyers including

- (i) The SSP shall have been approved by the Court by no later than April 4, 2018;
- (ii) The Court shall have granted an approval and vesting order on or before June 14, 2018;
- (iii) Any transition services agreement required by the Buyers shall have been entered into; and
- (iv) No material adverse change shall have occurred.

Northern Stalking Horse Agreements

Parties: Seller: Discovery
 Buyer: 10671541 Canada Inc.

Price The purchase price under each of the Northern Stalking Horse Agreements is the assumption of a specific amount of the secured debt owing to Clairvest pursuant to the DIP Facility and/or the CV Secured Debentures (in the amounts listed below, the “CV Assumed Debt”) plus the Assumed Liabilities (defined below)

<u>CV Assumed Debt</u>	GSH	ATL	DMS
	\$12,381,000	\$19,765,000	\$5,000,000;

Assumed Liabilities The Buyer agrees to assume the following liabilities of Discovery (the “Assumed Liabilities”):

- (i) Obligations under any assigned contracts
- (ii) Liability under the CV Secured Debentures up to the amount specified in the applicable Stalking Horse Agreement;
- (iii) CIBC indebtedness;
- (iv) ECN indebtedness;
- (v) Roynat Indebtedness;

- (vi) All liabilities arising from intercompany transactions between Discovery and the applicable subsidiary; and
- (vii) Any other “permitted encumbrances” as set out in the applicable Stalking Horse Agreement.

<u>Shares being Sold</u>	<u>GSH</u>	<u>ATL</u>	<u>DMS</u>
	157,891,795 issued and outstanding Class A common shares; 1,111 issued and outstanding Class D common shares; 40,000,000 issued and outstanding Class E common shares; 7,624 issued and outstanding Class F preferred shares; 11,072 issued and outstanding Class G preferred shares and 14,400 issued and outstanding Class H preferred shares (“ GSH Shares ”);	1870 issued and outstanding Class A common shares of ATL (“ ATL Shares ”)	22,883,047 issued and outstanding Class A common shares of DMS (“ DMS Shares ”)

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|---------------------|--|
| <u>Other Assets</u> | (i) all books and records relating to the business; |
| <u>Being Sold</u> | (ii) any assigned contracts set out on Schedule 2.1(c) of the applicable Stalking Horse Agreement; |
| | (iii) certain other assets, property and undertaking owned Discovery and used solely in connection with or for the benefit of the relevant business; and |
| | (iv) all intercompany debt, liabilities or other claims that Discovery has against the applicable subsidiary or its officers or directors. |

Key Conditions The completion of the transactions contemplated by each of the Northern Stalking Horse Agreements is subject to a number of conditions for the benefit of the Buyer including

- (i) The SSP shall have been approved by the Court by no later than April 4, 2018;

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- (ii) The Court shall have granted an approval and vesting order on or before June 28, 2018; and
- (iii) No material adverse change shall have occurred.

11. In addition to the terms above, it should be noted that none of the Stalking Horse Agreements require any break up fee or expense reimbursement payable to Clairvest in the event that Clairvest is not the successful bidder under the SSP. The Stalking Horse Agreements therefore provide assurances to Discovery and its stakeholders as to the purchase and continuation of the subsidiaries' businesses, and this assurance has been obtained at no cost to Discovery.

THE SALE SOLICITATION PROCESS

12. Discovery, in consultation with the Monitor, has prepared a proposed SSP process for the marketing and sale of the TA Shares, GSH Shares, ATL Shares and DMS Shares (and other assets contemplated by the Stalking Horse Agreements). Given the relationship between Discovery and Clairvest, including Clairvest's role as stalking horse bidder and DIP Lender, and the fact that certain principals and employees of Clairvest are directors of Discovery, it is proposed that the SSP will be overseen, conducted and run by the Monitor. Further, the terms of the SSP provide that Clairvest is not entitled to any information regarding the SSP that is not also provided to other Qualified Bidders. The proposed order approving the SSP also provides that Discovery and its representatives shall not communicate any information regarding the SSP to Clairvest. These protections along with the running of the SSP by the Monitor will ensure that the processes set out therein are conducted fairly and impartially. A copy of the proposed SSP is attached hereto as **Exhibit "E"**.

13. A summary of the proposed sale processes contemplated by the SSP are set out more fully in the Monitor's First Report and therefore not repeated herein. Briefly,

- (a) The SSP provides for a solicitation period during which the Monitor (in consultation with Discovery) will solicit interest in the various transactions both through a press release as well as direct solicitation of potential bidders;
- (b) The Monitor has prepared a list of financial parties who may be interested in the transaction contemplated by the Top Aces Stalking Horse Agreement and a list of

financial and strategic parties who may be interested in one or more of the transactions contemplated by the Northern Stalking Horse Agreements;


- (c) Discovery, the Non-Applicant Subsidiaries, TA Holdings and Top Aces Inc. will all provide any cooperation and assistance to the Monitor as the Monitor may require;
- (d) Interested parties who return executed confidentiality agreements and applicable acknowledgements will be given access to further due diligence information, including confidential information memoranda, access to one or more data rooms and meeting with management;
- (e) All communications with any interested parties (including Clairvest in its role as stalking horse bidder) will be made by the Monitor and no direct communication will be made with Discovery (absent consent or direction of the Monitor);
- (f) Bidders shall be required to submit bids for the transactions in which they are interested by a specified bid deadline (set out below). All bids must be in the forms provided for in the data room (namely, the forms of the Stalking Horse Agreements), include blacklines to the form provided and must meet the specified "bid criteria";
- (g) To the extent that any additional qualified bids (in addition to the Stalking Horse Agreements) are received by the applicable bid deadline, then the Monitor may conduct one or more auctions with respect to the applicable transaction;
- (h) Upon selection of the successful bid (the "Accepted Bids") for each transaction (either through auction or as a result of no additional qualified bids being submitted), Discovery will file one or more motions seeking approval of each Accepted Bid; and
- (i) The applicable milestones contemplated by the SSP or the Stalking Horse Agreements are set out below – the Monitor has discretion to amend all applicable milestones as provided for in the SSP:

Milestone	Deadline (Top Aces SSP)	Deadline (GSH SSP)	Deadline (ATL SSP)	Deadline (DMS SSP)
Commencement SSP	April 4, 2018	April 4, 2018	April 4, 2018	April 4, 2018
Bid Deadline	May 21, 2018	June 4, 2018	June 4, 2018	June 4, 2018
Auction	May 31, 2018	June 14, 2018	June 14, 2018	June 14, 2018
Court Approval (not later than)	June 14, 2018	June 30, 2018	June 30, 2018	June 30, 2018
Closing Date Deadline (not later than)	July 31, 2018	July 31, 2018	July 31, 2018	July 31, 2018

STAY EXTENSION

14. In connection with the above, Discovery is seeking an extension of the Stay Period (as defined in the Initial Order) to and including June 29, 2018 (which date has been chosen based on the expected return to court prior to such time for approval of one or more transactions). I believe that Discovery has been and continues to act in good faith and with due diligence in the conduct of its CCAA proceedings. The cash flow filed as part of my Initial Affidavit included a cash flow that covers the proposed extension period. I understand that the Monitor will be providing a comparison of budget to actual results for the period between March 19, 2018 and March 28, 2018. The extension of the Stay Period is necessary while the Monitor conducts the SSP and auction process.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 28th day of March, 2018.


 Commissioner for taking affidavits


 PAUL BERNARDS

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, Court File No.: CV-18-594380-00CL
AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DISCOVERY
AIR INC. (the "APPLICANT")

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

AFFIDAVIT OF PAUL BERNARDS
(SWORN MARCH 28, 2018)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Fax: 416-597-6477

Mario Forte (LSUC#: 27293F)
Tel: 416.597.6477
Email: forte@gsnh.com

Michael Rotsztain (LSUC#: 17086M)
Tel: 416.597.7870
Email: rotsztain@gsnh.com

Jennifer Stam (LSUC#: #46735J)
Tel: 416.597.5017
Email: stam@gsnh.com

Lawyers for the Applicant

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF DISCOVERY AIR INC.

Court File No: CV-18-594380-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced TORONTO

MOTION RECORD
(Approval and Vesting Orders and Other Relief)
(returnable June 22, 2018)

VOLUME 1 OF 2

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Fax: 416-597-6477

Mario Forte (LSUC#: 27293F)
Tel: 416.597.6477
Email: forte@gsnh.com

Michael Rotsztein (LSUC#: 17086M)
Tel: 416.597.7870
Email: rotsztein@gsnh.com

Jennifer Stam (LSUC#: 46735J)
Tel: 416.597.5017
Email: stam@gsnh.com

Lawyers for the Applicant