

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, as amended

-and-

IN THE MATTER OF THE PROPOSAL OF
YUAN HUA (MIKE) WANG,
OF THE CITY OF MARKHAM
IN THE PROVINCE OF ONTARIO

PROPOSAL
March 27, 2020

Yuan Hua (Mike) Wang, (the “Debtor”), hereby submits the following Proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

ARTICLE 1
DEFINITIONS

1.1 Definitions

In this Proposal, capitalized terms shall have the meanings set out in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended, save and except for the terms and definitions set out below:

- (a) “**Act**” means the *Bankruptcy and Insolvency Act*, S.C. 1992, Chapter 27, as amended;
- (b) “**Administrative Fees and Expenses**” means:
 - (i) the proper fees and expenses of the Proposal Trustee including its legal fees and disbursements; and
 - (ii) The legal and consulting fees and disbursements of the Proposal Trustee incurred on or incidental to negotiations in connection with the preparation of the Proposal and the transactions and agreements contemplated hereby, including advice given to the Debtor, its officers, directors and principals;
- (c) “**Canada Pension Plan**” means the *Canada Pension Plan*, R.S.C. 1985, c C-8, as amended;
- (d) “**Claim**” means any right or claim of any Person against the Debtor that may be made in whole or in part against the Debtor or any property or assets of the Debtor, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind, which indebtedness, liability or obligation is in existence at the Filing Date or which is based on an event, act or omission which occurred in whole or in part prior to the Filing Date, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with

respect to any matter, action, cause or chose in action, whether existing at present or commenced in future based in whole or in part on facts which exist prior to or at the Filing Date;

- (e) “**Court**” means the Ontario Superior Court of Justice;
- (f) “**Creditor**” means any Person, having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (g) “**Court Approval Date**” means the date on which the Court finally and conclusively approves this Proposal;
- (h) “**D&O Claims**” means all claims against the Debtor in his capacity as an officer or director (as those terms are defined in the applicable corporate statutes) which are capable of being released pursuant to the provisions and limits of the Act;
- (i) “**Debtor**” means Yuan Hua (Mike) Wang;
- (j) “**Effective Date**” means the date on which the transactions and agreements provided for in this Proposal become effective, which date shall be 10 days after the Court Approval Date;
- (k) “**Employment Insurance Act**” means the Employment Insurance Act, S.C. 1996, c. 23, as amended;
- (l) “**Filing Date**” means the date on which the Debtor filed its Notice of Intention to make a Proposal, which date is January 28, 2020;
- (m) “**Income Tax Act**” means the *Income Tax Act*, R.S.C. 1985, c.1(5th Supp), as amended;
- (n) “**Person**” means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government, or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (o) “**Preferred Creditors**” means Creditors with Proved Unsecured Claims which are required by the Act to be paid in priority to all other Claims under a proposal by a debtor (but only in respect and to the extent of such Proven Unsecured Claims) and including, without limitation:
 - (i) Employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the Act if the Debtor became bankrupt on the Proposal Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salespersons, disbursements properly incurred by those salespersons in and about the Debtor’s business during the same period;
 - (ii) Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under,
 - I subsection 224(1.2) of the Income Tax Act;
 - II any provisions of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the Income Tax Act and provides for collection of a contribution, as defined in the Canada Pension Plan, or an

employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or

III any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum;

(1) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act; or

(2) is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;

(p) "Proposal" means this Proposal dated March 27, 2020 made pursuant to the Act, as further amended or supplemented from time to time;

(q) "Proposal Trustee" or "Trustee" means Grant Thornton Limited;

(r) "Proven Claim" of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the Act;

(s) "Secured Creditor" means any person or persons holding a valid mortgage, hypothec, pledge, charge, lien or privilege on or against any property of any person or persons as security for a Claim or a person whose Claim is based upon, or secured by a negotiable instrument held as collateral security upon which the Debtor is only indirectly or secondarily liable;

(t) "Unsecured Creditors" means, collectively, the Creditors who are not Secured Creditors.

1.2 Articles of Reference

The terms "hereof", "hereunder", "herein" and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.4 Date for Any Action

In the event that any date on which any action is required to be taken hereunder is not a business day, such action will be required to be taken on the next succeeding day that is a business day.

1.5 Time

All times expressed herein are local time in Toronto, Ontario, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified the time shall be deemed to be 5:00p.m. local time in Toronto, Ontario, Canada.

1.6 Numbers

In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.9 Successor and Assigns

The Proposal will be binding on and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

ARTICLE 2
GENERAL INTENT

2.1 Purpose of Proposal

The purpose of this Proposal is to effect a compromise of the Claims of the Creditors of the Debtor, in the expectation that all Creditors will derive a greater benefit from a Proposal to Creditors than would result from a bankruptcy.

Notwithstanding the terms and conditions of all arrangements or other arrangements with creditors entered into before the Filing Date, for so long as an event of default in the Proposal has not occurred, or if it has occurred, has been waived or cured, all such agreements or other arrangements will be deemed to be amended to the extent necessary to give effect to all the terms and conditions of this Proposal. In the event of any conflict or inconsistency between the terms of such agreements or arrangements and the terms of this Proposal, the terms of this Proposal will govern.

2.2 Persons Affected

This Proposal will, as of the Court Approval Date, be binding on the Debtor and on all Creditors, including the Crown, to whom this Proposal is made.

2.3 Assets Remain Vested in Debtor

The assets of the Debtor, if any, shall not vest in the Proposal Trustee, but shall remain vested in the Debtor, and the Trustee shall have no liability whatsoever for the Claims of Creditors arising before, on or after the Filing Date.

ARTICLE 3 CLASSIFICATION AND TREATMENT OF CREDITORS

3.1 Secured Creditors

This Proposal is not being made to Secured Creditors and if this Proposal is passed by the Courts, it will not affect the amounts and rights of secured creditors. Secured Creditors may vote and participate as Unsecured Creditors to the extent that they surrender the value of their security.

Secured Creditors acknowledge that their security is subordinate to the trust claims of Her Majesty in this Proposal and in any ensuing bankruptcy, unless it is supported by a mortgage on real property or otherwise entitled to be classified as a *prescribed security instrument* in accordance with the Income Tax Act.

3.2 Classes of Creditors

For the purposes of voting on the Proposal, the Creditors of the Debtor shall be comprised of one (1) class, as follows:

- (i) Unsecured Creditors

3.3 Preferred Creditors

The Proven Unsecured Claims of the Preferred Creditors are to be paid by the Debtor in full in priority to All Proven Unsecured Claims in accordance with the scheme of distribution set forth in the Act.

3.4 Unsecured Creditors

The Unsecured Creditors with a Proven Claim will be satisfied in accordance with Article 7 herein.

3.5 Different Capacities

Persons who are affected by this Proposal may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person is entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless its Claims overlap or are otherwise duplicative.

ARTICLE 4
PROCEDURE FOR VALIDATION OF CLAIMS

4.1 Filing of Proofs of Claim

Each Creditor must file a Proof of Claim to vote on, or to receive a distribution under, the Proposal. A Proof of Claim must be filed at, or prior to, the meeting of creditors to be considered valid. Only valid claims filed at, or prior to the meeting of creditors, either by proxy, or upon attendance at the meeting of creditors, shall be considered at the Proposal vote.

Where Creditors have participated in the Court-approved claims process administered by the Monitor with respect to the related CCAA Proceeding (as defined herein), such Creditors may rely on the claims filed against the Debtor, recognizing that such claims may remain subject to review and validation.

4.2 Allowance or Disallowance of Claims by the Trustee

Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each claim in accordance with the provisions of the Act. The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as set forth in the Act. The Debtor and/or Trustee reserve the right to seek the assistance of the Court in valuing the Claim of any Creditor, if required, to ascertain the result of any vote on the Proposal or the amount payable or to be distributed to such Creditor under the Proposal, as the case may be.

Consistent with Article 4.1, the Trustee may rely upon and work with the Monitor of the CCAA Proceeding with respect to work performed in relation to the review and validation of claims made against the Debtor and pursuant to the Court-approved claims process relating to the Debtor.

ARTICLE 5
MEETING OF CREDITORS

5.1 Meeting of Creditors

The Proposal Trustee shall hold a meeting of creditors in order for Unsecured Creditors to consider and vote upon the Proposal.

5.2 Time and Place of Meeting

Unless otherwise ordered by the Court, the meeting of creditors shall be held at a time and place to be established by the Official Receiver, or the nominee thereof, and confirmed in the Proposal Trustee's notice of meeting to be mailed pursuant to the Act.

5.3 Conduct of Meetings

The Official Receiver, or the nominee thereof, shall preside as the chair of the meeting of creditors and will decide all matters relating to the conduct of the meeting. The only Persons entitled to attend the meeting of creditors are those Persons, including the holders of proxies, entitled to vote at the meeting, their respective

legal counsel, if any, and Secured Creditors, and the, auditors, advisors and legal counsel of the Debtor, together with such representatives of the Proposal Trustee as the Proposal Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other Person may be admitted on invitation of the chair of the meeting or with the consent of the Creditors.

5.4 Adjournment of Meetings

The meeting of creditors may be adjourned in accordance with section 52 of the Act.

5.5 Voting by Creditors

To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount that is equal to that Unsecured Creditor's Proven Claim.

5.6 Approval by Creditors

In order that the Proposal be binding on all of the Creditors of the Debtor, in accordance with the Act, it must first be accepted by the Creditors represented in each class, by a majority in number of the Creditors in each class who actually vote upon the Proposal (in person or by proxy or by voting letter) at the meeting of creditors and representing two-thirds in value of the Proven Claims of the Creditors in each class who actually vote upon the Proposal (in person or by proxy or by voting letter) at the meeting of creditors.

ARTICLE 6 **PAYMENT OF ADMINISTRATIVE FEES AND EXPENSES**

- 6.1 The Trustee's Administrative Fees and Expenses shall rank in priority to all other creditors, except as may be set out in the Act and will be paid pursuant to sections 60(1) and 60(2) of the Act. If the Debtor should default on its payment thereof, the Trustee may, in absolute priority, call upon all funds accumulated in the Proposal to satisfy its proper Administrative Fees and Expenses. In such case, the Proposal shall be considered in default, subject to waiver of same by the Inspectors.
- 6.2 The Trustee shall be at liberty from time to time to apply reasonable amounts, out of the Proposal proceeds against its Administrative Fees and Expenses, and such amounts shall constitute advances against the Administrative Fees and Expenses when and as approved by the Court.

ARTICLE 7 **PROPOSAL**

The Proposal to Creditors is as follows:

- 7.1 i) **Unsecured Creditors:**

a) The Unsecured Creditors acknowledge that the Debtor has a 100% ownership in the companies which are the applicants (the “**Applicants**”) in the Matter of the Plan of Compromise or Arrangement of Forme Development Group Inc. (“**Forme**”), pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-3, as amended, remains ongoing (“**CCAA Proceeding**”) and in several other companies, referred to in that proceeding as the “Non Applicant Companies” (the “**NACs**”). The CCAA Applicants and the NACs have recently liquidated and are in the process of liquidating, various real property holdings by those companies. The CCAA Monitor is in possession of in excess of \$10,000,000 in proceeds from the Non-Applicant companies properties and an unknown amount from the Applicant companies.

It is unclear at this time what assets will remain in either the NACs or the Applicant Companies at the conclusion of the CCAA Proceeding at this time. Whatever amount is ultimately payable to those companies, in excess of the amounts owing to the creditors of those companies, the Debtor will, conditional upon this Proposal is accepted by the Creditors and approved by the Court, irrevocably direct those companies to pay to the Proposal Trustee for distribution to the Creditors hereunder with Proven Claims, up to the amount of any Proven Claims in the Bankruptcy in order to effect 100% payment of the Proven Claims.

Pursuant to the Order of Justice Hainey dated February 20th, 2020, the claims filed in the CCAA proceeding, as they relate to the Debtor, shall be determined in the CCAA proceedings and shall be binding on the Proposal. The claims process in those proceedings would benefit from the active involvement of the Debtor in determining claims made in that process. Following the approval of this Proposal by the Creditors, the Debtor will take an active involvement in the Claims Process under the CCAA Proceeding and make himself available for that purpose at no charge for however much time is reasonable to ensure that only claims which the Debtor believes are valid are approved by the Monitor (recognizing that the ultimate decision of what is or is not acceptable is subject to the final opinion of the Monitor, subject to the review of the Court);

To the extent, following the completion of the CCAA proceedings and the final determination of all claims relevant to the Proposal therein, and following the receipt of all monies payable to the NACs or Applicant companies and their subsequent payment to the Proposal Trustee as contemplated herein, the amount paid to the Proposal Trustee is insufficient to pay 100% of the Proven Claims, the Debtor will proceed as follows:

(b) to the extent the amounts payable under a) herein prove to be insufficient to pay 100% of the Proven Claims, the NACs have engaged KPMG Canada as their advisors who intend, following consultation with the Proposal Trustee and the CCAA Monitor, to implement a review and possible consolidation of tax positions between the Debtor, the NACs and the Applicants in order to implement available tax strategies to consolidate losses and increase recovery to all parties. It is anticipated that this could result in material recoveries not otherwise available in a bankruptcy of the Debtor. All proceeds received through this tax review will be irrevocably directed by the NACs and the Debtor to be paid, net of costs, to the Proposal Trustee for distribution in accordance with this Proposal;

(c) to the extent the amounts payable under a) herein prove to be insufficient to pay 100% of the Proven Claims, Jessica Wang has pledged to provide up to \$150,000 to be distributed among the creditors to the extent that amounts contemplated above do not otherwise result in 100% recovery for all Proven Claims.

The sum total of the amounts set out above are collectively referred to in this Proposal as, the “**Proposal Fund**”.

An unsecured creditor with a Proven Claim shall receive a *pro rata* dividend on their Proven Claim from the Proposal Fund following the receipt by the Proposal Trustee of the Proposal Fund

and the Trustee (and or, where applicable, the CCAA Monitor) resolving any remaining disputes with any unsecured creditor who has filed a claim.

By voting to accept the terms of this Proposal, Unsecured Creditors agree to receive their dividend in full and final satisfaction of any and all Claims they may have against the Debtor.

- 7.2 Within 15 days of the approval of the Proposal by the Court, the Debtor will submit himself to an examination akin to an examination pursuant to Section 163 of the Act (“**Examination**”), the purpose of which will be to satisfy the concerns voiced by certain creditors regarding the state of the Debtors’ affairs, on the following terms:
- a) The Examination shall be conducted by the Proposal Trustee;
 - b) The CCAA Monitor may attend the Examination, and may provide a list of additional questions to be asked by the Proposal Trustee; and
 - c) The contents of the Examination shall remain confidential, subject to further order of the Court.
- 7.3 If the Debtor fails to make the payment to the Proposal Trustee of the Proposal Fund as required and does not remedy the default within 30 days of the receipt of the relevant funds described above, the Proposal will be considered to be in default. Where the default is not waived by the Unsecured Creditors with a Proven Claim, then the provision of Article 7.3 shall apply with the application to annul the Proposal being made on notice to the Debtor, the Official Receiver and to all Unsecured Creditors with a Proven Claim.
- 7.4 From the Proposal Fund, and prior to any distribution to Unsecured Creditors with a Proven Claim, an amount of \$25,000 shall be retained by the Trustee (the “**Proposal Default Fund**”). The sole purpose of the Proposal Default Fund will be to fund an application to annul the Proposal in the event of a default which has not been waived by the Unsecured Creditors with a Proven Claim, or remedied by the Debtor.
- 7.5 The Proposal Fund may be prepaid without penalty at any time. Upon payment in full of the Proposal Fund, the Debtor shall have fully and finally satisfied any and all obligations outstanding pursuant to this Proposal and shall be deemed to have fully performed the Proposal.

Proposed Distributions

- 7.6 Subject to the terms and conditions set forth in this Proposal, and the payment of the Superintendent’s Levy (as applicable), the following payments will be made from the Proposal Fund:
- d) Professional Fees: subject to the provisions of the Act, the Professional Fees will be paid in full as they become due.
 - e) Crown Priority Claims: all Crown Claims that were outstanding as at the Filing Date, if any, shall be paid in full to Her Majesty in right of Canada or a Canadian province or territory, as applicable, within six months after the issuance of the Proposal Approval Order or such other time and in such other amount as may be agreed to by Her Majesty hereafter.
 - f) Employee Priority Claims: Employee Priority Claims, if any, will be paid in full in amounts determined by the Proposal Trustee pursuant to section 135 of the Act.
 - g) Superintendent’s Levy: the Superintendent’s Levy shall be paid in full.

- h) Preferred Claims: the remaining Preferred Claims (after the payments provided in Article 3.3 of this Proposal have been made, or reserves taken therefor), if any, shall be paid without interest in priority to the Proven Claims addressed by Article 3.4 of this Proposal.
- i) Unsecured Claims: as per section 7.1 hereof.

Persons Affected

- 7.7 The Proposal provides for a full and final release and discharge of all Claims and a settlement of and consideration for Claims. The Proposal will become effective at 12:01 a.m. (Toronto time) on the Effective Date in accordance with its terms and shall be binding on and enure to the benefit of the Debtor and other Persons directly or indirectly named or referred to in or subject to the Proposal.
- 7.8 Any Person who does not file its Claim within thirty days of the Effective Date, shall forever be barred from making a Claim or sharing in any dividend hereunder, subject to any exception set out in sections 149(2), (3), (4) and 150 of the Act, regardless of whether such Person was sent a Dividend Notice or whether such Person received such Dividend Notice.

ARTICLE 8
PROPOSAL TRUSTEE

- 8.1 Grant Thornton Limited, trustee of the City of Toronto, in the Province of Ontario, and not in its personal capacity, shall be the Proposal Trustee under this Proposal and all monies payable under this Proposal shall be paid over to the Proposal Trustee who shall make payment of all distributions in accordance with the terms of this Proposal.
- 8.2 Any payments made by the Proposal Trustee to Creditors hereunder shall be made by the Proposal Trustee net of any levies payable or due under the Act.
- 8.3 The Proposal Trustee is acting in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any obligations or liabilities in connection with this Proposal or in respect of the business activities or liabilities of the Debtor.
- 8.4 The Proposal Trustee shall have no liability whatsoever for the Claims arising before, on or after the Filing Date.

ARTICLE 9
FULL PERFORMANCE OF PROPOSAL

- 9.1 All obligations of the Debtor under this Proposal will commence as of the Court Approval Date. This Proposal will be fully performed upon the payment to the Proposal Trustee of the amounts referred to in Article 7 and when all other obligations of the Debtor set out herein have been satisfied. With respect to 7.1 a) the obligation shall be satisfied upon the CCAA Monitor advising the Proposal Trustee that no further monies will be payable to any of the NACs or the Debtor and that there is not anticipated to be a net amount left among the Applicants, net of payment of all amounts due in the CCAA process and to the creditors of the CCAA process with proven claims in the CCAA Proceedings. With respect to section 7.1 b) the obligation shall be satisfied upon KPMG Canada (or any successor to that engagement approved as such by the Proposal Trustee) advising the Proposal Trustee that all amounts likely, in the opinion of

KPMG Canada, to be received by any of the Applicants, the NACs or the Debtor in respect of the tax review and consolidation undertaken by them have been received by the relevant party and that no further funds should be expected by the Proposal Trustee from those efforts.

- 9.2 When the Proposal has been fully performed by the Debtor, the Proposal Trustee will issue to the Debtor and the Official Receiver the Certificate of Full Performance as provided for in Section 65.3 of the Act.
- 9.3 The provisions of this Proposal will be binding on all Creditors of the Debtor, and their respective heirs, executors, administrators, successors and assigns.

ARTICLE 10 AMENDMENT OF PROPOSAL

- 10.1 At any and all meetings of creditors, the Debtor may at any time and from time to time, vary, amend, modify or supplement this Proposal.
- 10.2 If there are any variations, amendments, modifications or supplements to the Proposal made at or prior to the final meeting creditors held to consider the Proposal which the Proposal Trustee determines are for the general benefit of the Creditors in each class, the Proposal Trustee shall be entitled to approve such variations, amendments, modifications or supplements by exercising all voting rights its receives from Creditors in each class, who have voted in favour of the Proposal and by counting all "yes" votes and "no" votes which have not, to the time the variations, amendments, modifications or supplements are made, been changed, as "yes" votes and "no" votes for the amended or supplemental Proposal.

ARTICLE 11 BINDING EFFECT

11. On the Effective Date, this Proposal will become effective and binding on and enure to the benefit of the Debtor and all creditors affected by this Proposal and all other Persons named or referred to in, or subject to, this Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

ARTICLE 12 RELEASES

- 12.1 On the Effective Date, (i) the Debtor; (ii) the Debtor's employees and contractors, and their respective heirs and assigns, (iii) counsel to the Debtor and (iv) the Proposal Trustee, the Proposal Trustee's counsel, and each and every present and former shareholder, affiliate, subsidiary, director, officer, member, partner, employee, auditor, financial advisor, legal counsel and agent of any of the foregoing Persons (each of the Persons named in (i) or (ii) of this Article 12.1, in their capacity as such, being herein referred to individually as a "**Released Party**" and all referred to collectively as "**Released Parties**") shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, encumbrances and other recoveries on

account of any liability, obligation, demand or cause of action of whatever nature, including claims for contribution or indemnity which any Creditor or other Person may be entitled to assert, including claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature, including, for greater certainty, any Claim against the Debtor for indemnification by any Director or Officer, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, negligence, breach of fiduciary duty, dealing or other occurrence existing or taking place on or prior to the Effective Date that constitute or are in any way relating to, arising out of or in connection with any Claims, and any indemnification obligations with respect thereto, the business and affairs of the Debtor whenever or however conducted, the administration and/or management of the Debtor, the Proposal, or any document, instrument, matter or transaction involving the Debtors, taking place in connection with the Proposal (referred to collectively as the "**Released Claims**"), shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, all to the fullest extent permitted by governing law; provided that nothing herein will waive, discharge, release, cancel or bar (a) the right to enforce the Debtor's obligations under the Proposal, or (b) any D&O Claim that is not permitted to be released pursuant to section 50(14) of the BIA.

ARTICLE 13
CONSENTS WAIVERS AND AGREEMENTS

- 13.1 On the Effective Date, all Creditors shall be deemed to have consented and agreed to all of the provisions of the Proposal in its entirety. Each Creditor will be deemed to have waived any default by the Debtor in any provision, express or implied or in any agreement (other than the Proposal) existing between the Creditor and the Debtor that occurred on or prior to the Effective Date. Each Creditor will be deemed to have agreed that, to the extent there is any conflict between the provisions of any such agreement and the provisions of the Proposal, the provisions of the Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

DATED at the City of Toronto, in the Province of Ontario this 27th day of March 2020.

Proposal of Yuan Hua (Mike) Wang

Per: _____


Yuan Hua (Mike) Wang