

Court File No.: CV-20-00642783-00CL

**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 957855 ALBERTA LTD.
(FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK
FINANCIAL CORP. IN RESPECT OF METRO 360
GENERAL PARTNERSHIP**

Applicants

**MOTION RECORD
MEETING ORDER AND ANCILLARY ORDER
(Motion returnable November 17, 2021)**

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and Metro 360 General Partnership.

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FINANCIAL CORP. IN RESPECT OF METRO 360
GENERAL PARTNERSHIP**

Applicants

NOTICE OF MOTION

(returnable November 17, 2021)

957855 Alberta Ltd. (formerly NewsWest Inc.) ("**Alberta HoldCo**") and Rosebud Creek Financial Corp. ("**Rosebud HoldCo**" and, together with Alberta HoldCo, the "**Partners**"), as the partners of the Metro 360 General Partnership ("**Metro 360**" and, together with the Partners, the "**CCAA Entities**"), will make a motion before Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on November 17, 2021 at 10:00 a.m. or as soon thereafter as the motion can be heard.

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

- In writing under subrule 37.12.1 (1);
- In writing as an opposed motion under subrule 37.12.1(4);
- In person;
- By telephone conference;
- By video conference;

at the following location:

<https://us02web.zoom.us/j/83502873824?pwd=cEVqY2FyQmF2UHA1M3BEYTRMUG1Xdz09>

THE MOTION IS FOR:

1. An Order (the “**Meeting Order**”), in substantially the form attached at Tab 3 of the within Motion Record (the “**Motion Record**”), among other things:
 - (a) accepting the filing of the CCAA Entities’ plan of compromise and arrangement (as it may be amended, modified, varied and/or supplemented in accordance with its terms, the “**Plan**”) pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”);
 - (b) authorizing the CCAA Entities to establish one class of the Affected Creditors for the purpose of considering and voting on the Plan (the “**Unsecured Creditors’ Class**”);
 - (c) authorizing the CCAA Entities to call, hold and conduct a virtual meeting (the “**Creditors’ Meeting**”) to consider and vote on a resolution to approve the Plan;
 - (d) approving the procedures to be followed with respect to the calling and conduct of the Creditors’ Meeting; and
 - (e) setting the date for the hearing of the CCAA Entities’ motion seeking the sanction of the Plan (the “**Sanction Hearing**”) in the event that the Plan is approved by the Required Majority of the Unsecured Creditors’ Class at the Creditors’ Meeting.

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2. An Order (the “**Ancillary Order**”), in substantially the form attached at Tab 4 of the Motion Record, among other things:
- (a) approving and giving effect to the agreement dated October 21, 2021 between the Minister of National Revenue and the CCAA Entities (the “**Claims Agreement**”);
 - (b) sealing the Claims Agreement until further order of the Court;
 - (c) approving the Sixth Report of the Monitor (as defined below) and the activities and conduct of the Monitor as reported therein;
 - (d) approving the fees and disbursements of the Monitor and its counsel for the period from September 1, 2021 to October 31, 2021; and
 - (e) extending the Stay Period (as defined below) from December 31, 2021 to and including February 28, 2022.
3. Such further and other relief as counsel may request and this Court may permit.

THE GROUNDS FOR THE MOTION are as follows:

Background

4. Capitalized terms used but not otherwise defined herein have the meaning given to them in the Affidavit of Daniel P. Shapiro sworn November 10, 2021 (the “**Shapiro Affidavit**”).
5. The Partners are holding companies that together hold 100% of the interests of Metro 360, which operates a multi-faceted business that, prior to completing the TNG Transaction (as defined below), was focused primarily on the wholesale distribution across Canada of books, magazines and newspapers (the “**Literature Business**”). As a result of the TNG Transaction,

Metro 360's business is now focused on the distribution of consumer-packaged goods, such as food products, music and consumer electronic accessories, and various businesses in which it and/or Rosebud have an equity interest (collectively, the "**Subsidiaries**").

6. On April 6, 2020, the Partners filed notices of intention to make a proposal pursuant to section 50.4 of the *Bankruptcy and Insolvency Act* (Canada), R.S.C., 1985, c. B-3, as amended, to initiate proceedings (the "**Proposal Proceedings**") to implement the sale of the Literature Business (the "**TNG Transaction**") to Great Pacific Enterprises Inc. (dba TNG).

7. On April 7, 2020, this Court granted an Approval and Vesting Order, among other things, approving the TNG Transaction. The TNG Transaction closed the next day on April 8, 2020.

8. On June 17, 2020, the Partners continued the Proposal Proceedings under the CCAA, pursuant to an Initial Order of the Court (the "**Initial Order**").

9. The Initial Order, among other things, (i) took up and continued the Proposal Proceedings under the CCAA, (ii) appointed KSV Restructuring Inc. as the Monitor of the CCAA Entities (the "**Monitor**"),¹ and (iii) granted a stay of proceedings under the CCAA in respect of the Partners and Metro 360 until and including June 26, 2020 or such later date as the Court may order (the "**Stay Period**") in order to provide the CCAA Entities with stability for their remaining businesses and the Subsidiaries, and the time and framework within which the CCAA Entities could advance a value-maximizing restructuring plan for the benefit of each of the CCAA Entities and their various stakeholders.

¹ Effective August 31, 2020, the name of KSV Kofman Inc. was changed to KSV Restructuring Inc.

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10. On September 16, 2020, this Court granted a Claims Procedure Order approving a process (the “**Claims Process**”) for the identification, quantification and resolution of claims against the CCAA Entities, as well as the present and former officers and directors.

11. From late 2020 through early 2021, the CCAA Entities, in consultation with the Monitor, substantially completed the Claims Process and developed the initial terms of a draft restructuring plan. However, the CCAA Entities could not finalize the draft restructuring plan such that it could be presented to creditors and this Court until they resolved certain potential claims advanced by the Canada Revenue Agency (the “**CRA**”) relating to certain reassessments issued by the CRA which purported to adjust certain tax liabilities of the CCAA Entities. The CCAA Entities disagreed with and objected to the CRA reassessments.

12. The CCAA Entities, with the assistance of their counsel and the Monitor, engaged over several months in a number of discussions with CRA and its legal counsel at the Department of Justice to try to resolve the CRA reassessments to finally determine the CRA’s claim amounts.

13. As a result of those efforts, the CCAA Entities and the CRA reached an agreement relating to the CRA reassessments and all other other federal tax related issues between the CCAA Entities and the CRA, including the amount and nature of CRA’s claims to be accepted in the Claims Process and addressed under the proposed Plan, and entered into the Claims Agreement.

14. The CCAA Entities believe that a restructuring plan that preserves the value of the CCAA Entities and their interests in the Subsidiaries is in the best interests of the CCAA Entities and their respective stakeholders. A number of the Subsidiaries are early stage businesses with promising growth potential, and the CCAA Entities believe that preserving their interest in the

Subsidiaries provides the best opportunity for the Subsidiaries, or certain of them, to be sold in a value maximizing transactions, the proceeds of which will be used to pay creditors of the CCAA Entities.

15. Throughout the Proposal Proceedings and these CCAA proceedings, the CCAA Entities have worked in good faith and with due diligence to advance their restructuring efforts to preserve and grow the Subsidiaries and Metro 360's remaining operating businesses with a view to developing a restructuring plan with the intention of repaying their creditors in full over time.

16. The CCAA Entities are therefore now seeking to move forward with the proposed Plan. If approved by the Required Majority of the Unsecured Creditors' Class at the Creditors' Meeting and sanctioned by this Court, the Plan provides for a significant initial cash distribution to Affected Creditors, and is intended to enable Affected Creditors to potentially receive the remainder of their claims over time through the proceeds of an unsecured promissory note to be issued by the CCAA Entities under the Plan, all in exchange for the full and final settlement of their Affected Claims.

The Meeting Order

17. The proposed Meeting Order authorizes the CCAA Entities to file the Plan and convene the Creditors' Meeting for Affected Creditors to consider and vote on the Plan.

18. The Meeting Order provides that the Creditors' Meeting will be held virtually on December 16, 2021 at 1:00 p.m. (Toronto time) by means of a telephonic or electronic facility using a third-party service provider, due to the ongoing COVID-19 pandemic.

19. The proposed Meeting Order also provides for, among other things:
- (a) the process for notifying the Affected Creditors of the Creditors' Meeting and accessing the applicable meeting materials, including the Plan;
 - (b) procedures that will govern the conduct of the Creditors' Meeting;
 - (c) procedures for the appointment of proxyholders by Affected Creditors;
 - (d) procedures for voting at the Creditors' Meeting;
 - (e) procedures for the tabulation of the Voting Claims and any Disputed Claims at the Creditors' Meeting, and a report thereon by the Monitor;
 - (f) the threshold for approval of the Plan at the Creditors' Meeting;
 - (g) the process for any adjournments of the Creditors' Meeting;
 - (h) the process for any amendments to the Plan by the CCAA Entities;
 - (i) the setting of the Sanction Hearing on such date as may be set by the Court, and notice thereof.

Claims Agreement

20. As noted above, following discussions over several months, the CCAA Entities and the CRA entered into the Claims Agreement establishing the nature and quantum of the CRA's Affected Claims.

21. The key terms of the Claims Agreement include, among other things, that the CCAA Entities will recognize a number of the CRA's claims for voting and distribution purposes, and

also recognize a provisional claim in the amount of \$3,159,236.53 against Metro 360 in respect of the Section 296(1)(b) Assessments. The amount of the provisional claim will be reduced dollar for dollar to the extent that Metro 360 makes payment of HST amounts to Affected Creditors by way of distributions under the Plan.

22. The Claims Agreement is subject to the approval of this Court pursuant to the proposed Ancillary Order.

23. The proposed settlement pursuant to the Claims Agreement is fair, reasonable, and beneficial to all stakeholders, and it is appropriate for the Court to approve the Claims Agreement.

Sealing

24. Although the Claims Agreement is subject to the approval of this Court, the CRA required that the specific terms of the Claims Agreement remain confidential and that the Claims Agreement provide that the CCAA Entities, in obtaining this Court's approval of the Claims Agreement, must seek to have the Claims Agreement filed on a sealed basis. The CCAA Entities agree that, while the Court should be able to see the Claims Agreement, the request to seal it is fair and reasonable, is in the best interests of both the CCAA Entities and the CRA, and that no other party will be prejudiced by the sealing thereof.

Extension of the Stay Period

25. The Stay Period currently expires on December 31, 2021.

26. The CCAA Entities require an extension of the Stay Period pursuant to the Ancillary Order to and including February 28, 2022 to, among other things:

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- (a) distribute the Plan and voting materials to the Affected Creditors pursuant to the Meeting Order (if granted); and
 - (b) hold the Creditors' Meeting pursuant to the Meeting Order (if granted) and return before this Court to seek approval of the Plan (if approved at the Creditors' Meeting).
27. The cash flow forecast indicates that the CCAA Entities are expected to have sufficient liquidity through the requested extended Stay Period.
28. Creditors will not suffer any material prejudice if the Stay Period is extended.
29. The CCAA Entities are working diligently and in good faith in respect of all matters relating to the CCAA proceedings.
30. The extension of the Stay Period to and including February 28, 2022 is supported by the Monitor.

General

31. The provisions of the CCAA, including s. 11.02, and the Court's equitable and statutory jurisdiction thereunder.
32. Rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.
33. The Consolidated Notice to the Profession, Litigants, Accused Persons, Public and the Media regarding Expanded Operations of Ontario Superior Court of Justice dated May 13, 2020, as amended.

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34. Changes to Commercial List Operations in light of COVID-19 dated March 16, 2020.
35. Such further and other grounds as counsel may advise and this Court may permit.

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

36. The Shapiro Affidavit, and the exhibits attached thereto;
37. The Sixth Report of the Monitor and the appendices attached thereto, including the fee affidavits filed by the Monitor and its counsel; and
38. Such further and other materials as counsel may advise and this Court may permit.

November 10, 2021

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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 957855
ALBERTA LTD. (FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL
CORP. IN RESPECT OF METRO 360 GENERAL PARTNERSHIP**

Court File No.: CV-20-00642783-00CL

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

**NOTICE OF MOTION
(returnable November 17, 2021)**

GOODMANS LLP

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS*
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CORP. IN RESPECT OF METRO 360 GENERAL
PARTNERSHIP

Applicants

AFFIDAVIT OF DANIEL P. SHAPIRO
(sworn November 10, 2021)

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Applicants

**AFFIDAVIT OF DANIEL P. SHAPIRO
(sworn November 10, 2021)**

I, Daniel P. Shapiro, of the City of Toronto, in the Province of Ontario, **MAKE OATH
AND SAY:**

I. INTRODUCTION AND BACKGROUND

1. I am the President of 957855 Alberta Ltd. (formerly NewsWest Inc.) ("**Alberta HoldCo**") and the President of Rosebud Creek Financial Corp. ("**Rosebud HoldCo**" and, together with Alberta HoldCo, the "**Partners**"). Accordingly, I have personal knowledge of the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

2. The Partners are holding companies that together hold 100% of the interests of Metro 360 General Partnership ("**Metro 360**" and, together with the Partners, the "**CCAA Entities**").

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Metro 360 operates a multi-faceted business that, before completing the TNG Transaction (as defined below), was focused primarily on the wholesale distribution across Canada of books, magazines and newspapers (the “**Literature Business**”). As a result of the TNG Transaction, Metro 360’s business is now focused on the distribution of consumer-packaged goods, such as food products, music and consumer electronic accessories, and various businesses in which it and Rosebud HoldCo have an equity interest, including Well Ventures, Handfuel, Swift Work Wellness, Spectral Agriventures, United Library Services Inc., Lucidsoft Inc. (dba Leankor) (“**Leankor**”) and Recruiter.com Group, Inc. (“**Recruiter**”, and collectively, the “**Subsidiaries**”). Metro 360 provides certain of the Subsidiaries with back-office support and Metro 360’s management is also responsible for guiding the growth and strategic decision-making of some of these businesses.

3. On April 6, 2020, the Partners filed notices of intention to make a proposal pursuant to section 50.4 of the *Bankruptcy and Insolvency Act* (Canada) in order to initiate proceedings (the “**Proposal Proceedings**”) to implement the sale of the Literature Business to Great Pacific Enterprises Inc. (dba TNG) (“**TNG**” and the “**TNG Transaction**”). This Court granted an Approval and Vesting Order on April 7, 2020, among other things, approving the TNG Transaction, and the TNG Transaction was completed the next day on April 8, 2020.

4. A significant component of the TNG Transaction was that TNG agreed as part of the transaction to retrieve all unsold Literature Business inventory (estimated at the time of the TNG Transaction to have a book value of approximately \$35 million) from retail accounts serviced by Metro 360, and process returns to Metro 360’s suppliers for full credit to Metro 360’s account. Importantly, the Literature Business inventory return process facilitated by the TNG Transaction reduced Metro 360’s accounts payable by approximately \$32 million.

5. On June 17, 2020, the Partners continued the Proposal Proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") pursuant to an Initial Order of the Court (the "**Initial Order**"). The Initial Order, in addition to taking up and continuing the Proposal Proceedings under the CCAA, among other things, appointed KSV Restructuring Inc. as the monitor (the "**Monitor**") and granted a stay of proceedings under the CCAA (the "**Stay of Proceedings**") in respect of the Partners and Metro 360 in order to provide the CCAA Entities with stability for their remaining business and the Subsidiaries, and the time and framework within which the CCAA Entities could advance a value-maximizing restructuring plan for the benefit of each of the CCAA Entities and their various stakeholders. On September 16, 2020, this Court granted an Order (the "**Claims Procedure Order**") approving a process (the "**Claims Process**") for the identification, quantification and resolution of claims against the CCAA Entities, as well as their present and former officers and directors.

6. As discussed in greater detail below and in several of my prior affidavits filed in the Proposal Proceedings and these CCAA proceedings, the CCAA Entities believe that the development and implementation of a restructuring plan that preserves the value of the CCAA Entities and their interests in the Subsidiaries is in the best interests of the CCAA Entities and their respective stakeholders. A number of the Subsidiaries are early stage businesses with promising growth potential, and the CCAA Entities believe that preserving their interest in the Subsidiaries through a restructuring plan will enable substantially greater recoveries for creditors over time than in a bankruptcy/liquidation scenario. Throughout the Proposal Proceedings and these CCAA proceedings, the CCAA Entities have worked in good faith and with due diligence to advance their restructuring efforts to preserve and grow the Subsidiaries and Metro 360's remaining operating

businesses with a view to developing a restructuring plan that provides for the possibility of full repayment to creditors over time.

7. From late 2020 through early 2021, the CCAA Entities, in consultation with the Monitor, substantially completed the Claims Process – which entailed the review and reconciliation of over 1,100 creditor claims – and developed the initial terms of a draft restructuring plan. However, due to the significant amounts at issue in certain potential claims advanced by the Canada Revenue Agency (the “**CRA**”) relating to the CCAA Entities’ potential tax liabilities, which the CCAA Entities disagreed with and objected to (as discussed below), the CCAA Entities were not able to finalize the draft restructuring plan such that it could be presented to creditors and this Court until matters with the CRA were resolved.

8. The CCAA Entities and representatives of the CRA and its legal counsel at the Department of Justice (the “**DOJ**”) engaged in extensive discussions over several months and on October 21, 2021, reached an agreement (the “**Claims Agreement**”) which, among other things, determines the amount of the CRA’s claims against the CCAA Entities that are to be accepted in the Claims Process and addressed in a plan filed by the CCAA Entities in these proceedings. The CCAA Entities are therefore now seeking to move forward with a proposed plan of compromise and arrangement (as it may be amended, modified, varied and/or supplemented in accordance with its terms, the “**Plan**”) which, among other things, is intended to pay in full all of the Affected Claims over time. A copy of the proposed Plan is attached as Exhibit “A” hereto.

9. As discussed in greater detail below, if approved by the requisite majorities of Affected Creditors, the Plan will, among other things, provide for a significant initial cash distribution to Affected Creditors and will also enable Affected Creditors to potentially receive the remainder of

their claims over time through the proceeds of an unsecured promissory note to be issued by the CCAA Entities under the Plan, all in exchange for the full and final settlement of their claims. The CCAA Entities believe that the proposed Plan represents the best outcome available for the CCAA Entities and their stakeholders in the circumstances, and will enable the CCAA Entities to maximize creditor recoveries and bring these CCAA proceedings to completion. The CCAA Entities are therefore seeking this Court's authorization to file their proposed Plan and to convene a virtual meeting (the "**Creditors' Meeting**") of the Affected Creditors to consider and vote on the proposed Plan.

10. Accordingly, this affidavit is sworn in support of the CCAA Entities' motion for:

- (a) an Order, substantially in the form to be attached as Tab "3" of the within Motion Record (the "**Meeting Order**"), among other things:
 - (i) accepting the filing of the Plan pursuant to the CCAA;
 - (ii) authorizing the CCAA Entities to establish one class of the Affected Creditors for the purpose of considering and voting on the Plan (the "**Unsecured Creditors' Class**");
 - (iii) authorizing the CCAA Entities to call, hold and conduct the Creditors' Meeting to consider and vote on a resolution to approve the Plan (the "**Resolution**");
 - (iv) approving the procedures to be followed with respect to the calling and conduct of the Creditors' Meeting; and

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- (v) setting the date for the hearing of the CCAA Entities' motion seeking the sanction of the Plan (the "**Sanction Hearing**") in the event that the Plan is approved by the Required Majority (as defined below) of the Unsecured Creditors' Class at the Creditors' Meeting; and
- (b) an Order, substantially in the form to be attached as Tab "4" of the within Motion Record (the "**Ancillary Order**"), among other things:
 - (i) approving and giving effect to the Claims Agreement;
 - (ii) sealing the Claims Agreement until further order of the Court;
 - (iii) approving the Sixth Report of the Monitor (the "**Sixth Report**") and the activities and conduct of the Monitor as reported therein;
 - (iv) approving the fees and disbursements of the Monitor and its counsel for the period from September 1, 2021 to October 31, 2021; and
 - (v) extending the Stay Period (as defined below) from December 31, 2021 to and including February 28, 2022.

11. Additional information about the CCAA Entities, including with respect to the Literature Business, the issues leading to the TNG Transaction and the reasons why the TNG Transaction was the only viable option to preserve and maximize the value of the Literature Business for the benefit of Metro 360, the Partners and their respective stakeholders, is detailed in my affidavit sworn on April 6, 2020 (the "**Initial Affidavit**") and my affidavit sworn on June 10, 2020 (the

“**June 2020 Affidavit**”), copies of which are attached to this affidavit, without exhibits, as Exhibits “B” and “C”, respectively.

12. Unless otherwise indicated in this affidavit, monetary references in this affidavit are references to Canadian dollars. Capitalized terms used that are not otherwise defined in this affidavit have the meaning given to them in the Initial Affidavit or the Plan, as applicable.

II. CRA CLAIMS AGREEMENT

13. As explained in several of my prior affidavits filed in these proceedings, the CRA filed a “placeholder” Proof of Claim (as defined in the Claims Procedure Order) against the Partners and Metro 360 in the Claims Process for an unspecified amount in respect of any type of tax liability potentially applicable to any of the CCAA Entities. The CRA then (i) filed Proofs of Claim against the Partners for unpaid income tax liabilities of approximately \$375,000 (in the case of Rosebud HoldCo) and \$153,000 (in the case of Alberta HoldCo), and (ii) issued several reassessments to Metro 360 in October 2020 that made certain adjustments to Metro 360’s goods and services tax (“GST”) and harmonized sales tax (“HST”) liabilities, including assessments under Section 296(1)(b) of the *Excise Tax Act* (Canada) of almost \$4.5 million that reversed a significant amount of input tax credits previously claimed by Metro 360 on its accounts payable at the time the Proposal Proceedings were commenced (the “**Section 296(1)(b) Assessments**”). Metro 360 filed notices of objection with the CRA’s appeals division in January 2021 objecting to each of the CRA reassessments made against it. Of particular concern was the fact that the CRA had not made any adjustments for taxes effectively recaptured by Metro 360 regarding credits from returns of Literature Business inventory.

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14. The CCAA Entities, with the assistance of their counsel and the Monitor, engaged over several months in a number of discussions with CRA and DOJ representatives to try to resolve the CRA reassessments so that Metro 360's tax liabilities and the CRA's claim amount against Metro 360 could be finally determined, and also to reconcile the CRA's claims against the Partners. On August 9, 2021, the CRA issued notices of reassessment or confirmation that resolved all of the matters at issue in the CRA reassessments to the satisfaction of the CCAA Entities and the Monitor, except for the Section 296(1)(b) Assessments.

15. Following further discussions, the CCAA Entities and the CRA reached an agreement relating to the Section 296(1)(b) Assessments and all other tax related issues between the CCAA Entities and the CRA, including the amount and nature of CRA's claims to be accepted in the Claims Process and addressed under the proposed Plan, and entered into the Claims Agreement.

16. Pursuant to the Claims Agreement, the CCAA Entities agreed to recognize the following claims of the CRA in the Claims Process:

- (a) an allowed claim for voting and distribution purposes in the amount of \$302,542 against Metro 360;
- (b) an allowed provisional claim in the amount of \$3,159,236.53 against Metro 360 in respect of the Section 296(1)(b) Assessments (the "**Section 296 Claim**"), to be treated as detailed in Paragraph 18 below;
- (c) an allowed claim for voting and distribution purposes in the amount of \$373,901.35 against Rosebud HoldCo; and

- (d) an allowed claim for voting and distribution purposes in the amount of \$131,875.20 against Alberta HoldCo (collectively, the “**CRA Claims**”).

17. The Claims Agreement provides that the CRA will be entitled to vote on the proposed Plan and receive distributions under it in respect of the CRA Claims other than the Section 296 Claim.

18. The Section 296 Claim is treated under the Claims Agreement as a provisional claim, the amount of which is reduced dollar for dollar to the extent that Metro 360 makes payment of HST amounts to Affected Creditors by way of distributions under the Plan. Metro 360 must provide reasonable evidence to the CRA to support any such reduction to the Section 296 Claim.

19. If the Section 296 Claim is reduced to zero through distributions to creditors under the Plan, in accordance with the Claims Agreement, the CRA will have no further or other claims against Metro 360 in respect of GST/HST related to the period prior to June 17, 2020.

20. The CCAA Entities believe that the proposed settlement is beneficial to all stakeholders because it, among other things, (i) determines the CRA’s claims for voting and distribution purposes in respect of the proposed Plan, (ii) provides for the significant Section 296 Claim to be reduced over time as creditors of the CCAA Entities are repaid pursuant to the proposed Plan, and (iii) enables the CCAA Entities to finalize and present the proposed Plan and advance toward the completion of the CCAA proceedings. I understand that the Monitor supports the settlement reflected in the Claims Agreement.

21. The proposed Ancillary Order, if approved, would approve the Claims Agreement and authorize the CCAA Entities to take such additional steps and execute such additional documents as may be necessary or desirable for implementing the Claims Agreement.

22. Although the Claims Agreement is subject to the approval of this Court, the CRA required that the specific terms of the Claims Agreement remain confidential and that the Claims Agreement provide that the CCAA Entities, in obtaining this Court's approval of the Claims Agreement, must seek to have the Claims Agreement filed on a sealed basis. Accordingly, a copy of the Claims Agreement is to be included as a confidential appendix to the Sixth Report, and the CCAA Entities, the Monitor and the CRA all request that the confidential appendix be ordered to be sealed pending further Order of this Court.

III. THE PLAN

23. As a result of the Claims Agreement resolving the CRA reassessments and finally determining the CRA's claims, the CCAA Entities are now in a position to present the proposed Plan.

24. As detailed below, the proposed Plan is intended to pay all Affected Creditors the full value of their Proven Claims over time. In particular, under the Plan, on the Initial Distribution Date:

- (a) Convenience Class Creditors will receive from the Creditor Distribution Pool the lesser of: (i) 100% of their Proven Claims; and (ii) \$2,500;¹ and
- (b) Affected Creditors, other than Convenience Class Creditors, will receive:
 - (i) payment of their *pro-rata* share of the Creditor Distribution Pool (after

¹ Affected Creditors with Proven Claims less than or equal to \$2,500 in the aggregate will be treated as Convenience Class Creditors and will each receive 100% of their Proven Claims in cash on the Initial Distribution Date. Affected Creditors with Proven Claims in excess of \$2,500 may elect to be treated as Convenience Class Creditors, and in that case will receive a cash distribution of \$2,500 on the Initial Distribution Date in full satisfaction of their Proven Claims. Pursuant to the proposed Meeting Order, each Convenience Class Creditor (including those Affected Creditors with Proven Claims in excess of \$2,500 who elect to be treated as Convenience Class Creditors), are deemed to have voted in favour of the Plan.

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deducting amounts paid to Convenience Class Creditors), based on the value of their Proven Claims, as an initial distribution; and (ii) an entitlement to their *pro-rata* share of the proceeds of a 5-year, non-interest bearing, unsecured promissory note (the “**Promissory Note**”) to be issued by the CCAA Entities in the principal amount equal to the balance of all Proven Claims that remain after payment of all Convenience Class Creditors and the initial distribution from the Creditor Distribution Pool referred to in (i) of this paragraph, above.

25. The Creditor Distribution Pool will consist of all of the cash of the CCAA Entities on the Plan Implementation Date, net of (i) a cash holdback which is to remain with and available to the CCAA Entities to permit them to fund ongoing operations, (ii) the Investment Reserve (as defined and discussed below), and (iii) the Disputed Claims Reserve.²

26. The Promissory Note, as described further below, will be issued by the CCAA Entities to the Monitor to be held in trust on behalf of all Affected Creditors having a Promissory Note Entitlement, being those Affected Creditors who are not Convenience Class Creditors. In completing the initial distribution under the Plan, the CCAA Entities will include a notice to each Affected Creditor having a Promissory Note Entitlement setting out the amount of such Affected Creditor’s Promissory Note Entitlement and the aggregate amount of all Promissory Note Entitlements, in each case as at the Plan Implementation Date, and will provide each such Affected

² The Disputed Claims Reserve will be established for the purpose of paying amounts to Affected Creditors in respect of their Disputed Claims that become Proven Claims, in whole or in part. An amount equal to the expected distributions to be made to all creditors with Disputed Claims (based on the face value of each Disputed Claim) will be transferred into the Disputed Claims Reserve prior to the creation of the Creditor Distribution Pool. Although it is stated in certain of my prior affidavits that the CCAA Entities had completed the Claims Process subject only to the resolution of the claims of the CRA (which have now been resolved pursuant to the Claims Agreement), it has recently become apparent that the reconciled portion of claims of a limited number of small creditors remain subject to final confirmation. The total amount of these Disputed Claims is approximately \$129,000.

Creditor with a copy of the Promissory Note. The terms of the Promissory Note are addressed below and, among other things, require that the CCAA Entities distribute the Net Proceeds received from a Transaction (as defined below) involving any of the Subsidiaries on a *pro-rata* basis to (a) Affected Creditors to repay amounts owing the Promissory Note and (b) Intercompany Creditors (as defined below) in respect of their Intercompany Claims.

27. Certain claims are excluded from the Plan (defined in the Plan as “**Unaffected Claims**”) and will not be compromised. Unaffected Claims include Intercompany Claims.³ Intercompany Claims account for approximately \$11 million (or 38%) of all Claims against the CCAA Entities. Importantly, under the Plan, Intercompany Claims are not entitled to receive a share of the initial distribution, which represents a substantial benefit for the Affected Creditors, significantly increasing the amount of cash that is to be distributed to third-party creditors in the initial distribution. Intercompany Creditors, however, will be entitled to share in the Net Proceeds of any Transaction or any subsequent distribution to holders of Promissory Note Entitlements of Excess Cash (as defined and discussed below), with each of the Intercompany Creditors and the holders of Promissory Note Entitlements receiving their *pro-rata* share of any such amounts distributed in the future.

28. The Subsidiaries are essential to the ability of the CCAA Entities to repay Affected Creditors in full over time as the Net Proceeds from a Transaction are required in part to be used by the CCAA Entities to repay amounts owing under the Promissory Note. To enable Metro 360 and Rosebud HoldCo to prevent (or limit) their ownership interests in the Subsidiaries from being diluted, the Plan provides for the CCAA Entities to transfer to the Monitor an amount not

³ Intercompany Claims total approximately \$11 million; Affected Creditors’ claims total approximately \$18.2 million.

exceeding \$1,000,000 to be held by the Monitor in a cash reserve (the “**Investment Reserve**”), which the CCAA Entities can (but are not required to) use to acquire equity securities of a Subsidiary. As addressed below, the CCAA Entities must consult with the Monitor in determining whether to use the funds in the Investment Reserve. It is anticipated that Well Ventures will seek in the next approximately 12 months to raise additional financing to execute on its growth plans.

29. The structure of the Plan is intended to maximize value for the benefit of the CCAA Entities’ creditors, leading to potential repayment in full of all creditor claims over time, while also allowing the CCAA Entities to restructure and complete a coordinated and efficient exit from CCAA protection so that they can continue to grow the Subsidiaries. Based on the projected reserves and cash needs of the CCAA Entities (as determined by the CCAA Entities in consultation with the Monitor), the expected initial distribution amount for Affected Creditors, including Convenience Class Creditors, will in aggregate total approximately \$5.3 million. In a liquidation scenario, Affected Creditors would have to share in any distribution of the cash on hand with the Intercompany Claims, meaning their distribution would be significantly reduced. In addition, the value of the Subsidiaries would be negatively impacted in a liquidation scenario for a variety of reasons, including that certain of the Subsidiaries require further runway to maximize value and that certain key individuals may be unlikely to continue providing management services to those Subsidiaries in such circumstances.

30. Further details regarding the Plan and the reasons why the CCAA Entities and the Monitor believe it maximizes value for creditors are set out in the Sixth Report, and will also be addressed by the Monitor in the Plan Assessment Report (as defined below).

A. Treatment of Creditors*(i) Treatment of Affected Creditors*

31. The Plan creates a single class of Affected Creditors – the Unsecured Creditors’ Class – for the purpose of voting on the Plan and receiving (i) distributions under the Plan in respect of their Proven Claims and (ii) a Promissory Note Entitlement, if applicable.

32. As described above, on the Initial Distribution Date, in full and final satisfaction of their Proven Claims, Affected Creditors (other than Convenience Class Creditors) will receive (i) payment of their *pro-rata* share of the Creditor Distribution Pool (after deducting amounts paid to Convenience Class Creditors) based on the value of their Proven Claims by way of an initial distribution, and (ii) an entitlement to their *pro-rata* share of the proceeds of the Promissory Note. Thereafter, all Affected Claims will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred (subject to the rights of Affected Creditors with Proven Claims to receive distributions under the Promissory Note). The proposed form of the Promissory Note is attached to the Plan as Schedule “A”.

33. Below is a summary of the key terms of the Promissory Note:

- (a) Principal Amount: To be the amount equal to the balance of all Proven Claims that remain after payment of (i) all Convenience Class Claims and (ii) the initial distribution from the Creditor Distribution Pool on the Initial Distribution Date. Based on the anticipated initial distribution, the CCAA Entities estimate the principal amount of the Promissory Note will be approximately \$12.9 million. Affected Creditors (other than a Convenience Class Creditor) with Disputed Claims

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will become entitled to their *pro-rata* share of the Promissory Note if and when their Disputed Claims becomes a Proven Claim, in whole or in part.

- (b) Maturity Date: Five years from the Plan Implementation Date, provided that such date may be extended by the CCAA Entities, with the consent of the Monitor, for up to two additional five year periods.
- (c) Voluntary Repayment: The CCAA Entities are permitted to repay the Promissory Note on a complete or partial basis at any time in their discretion without penalty.
- (d) Mandatory Prepayment from the Proceeds of a Transaction: In the event of any sale or other disposition by any CCAA Entity of its equity interest in any Subsidiary, or any sale or other disposition by any Subsidiary of all or a majority of the aggregate value of its assets (in either case, a “**Transaction**”), the applicable CCAA Entity must, within 30 days, distribute 100% of its share of the Net Proceeds received in connection with the Transaction on a *pro-rata* basis to (i) Affected Creditors with Promissory Note Entitlements and (ii) Intercompany Creditors with Intercompany Claims, provided that the CCAA Entities shall not be required to distribute the proceeds of any Transaction where the Net Proceeds therefrom are less than \$1,000,000. Any such Net Proceeds not distributed in accordance with the above must, as soon as practicable (and in any event, within 30 days), be deposited by the CCAA Entities into the Creditor Distribution Pool Account.
- (e) Excess Cash and Subsequent Distributions from Creditor Distribution Pool Account: The Plan requires that, beginning with the end of the first full fiscal year of Metro 360 following the Plan Implementation Date, the CCAA Entities must

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transfer any Excess Cash⁴ to the Creditor Distribution Pool Account within 30 days of the end of each such fiscal year. If at any time the cash in the Creditor Distribution Pool Account exceeds \$1,000,000, the CCAA Entities are required under the Plan and the Promissory Note to distribute all of such cash, within a period of 90 days, on a *pro-rata* basis to Affected Creditors and Intercompany Creditors as repayment of the obligations of the CCAA Entities under the Promissory Note and of the Intercompany Claims, respectively.⁵

34. The Monitor is required under the Plan and Promissory Note to maintain a ledger listing the amounts owing to Affected Creditors under the Promissory Note, as well as the notice information for each such Affected Creditor. The Monitor shall also record on the ledger any Promissory Note Entitlement that a holder of a Disputed Claim would be entitled to if its Disputed Claim were a Proven Claim so that any Affected Creditor with a Disputed Claim shall become entitled to its Promissory Note Entitlement upon its Disputed Claim becoming a Proven Claim, whether in whole or in part.

⁴ “Excess Cash” is defined by the Plan to mean, with respect to any fiscal year of the CCAA Entities, the amount by which cash flow from operations (including, for greater certainty, cash from any payment, declaration of dividend or distribution to any of the CCAA Entities by or from any Subsidiary), in the aggregate, taking into account any Capital Expenditures and any taxes not otherwise deducted from cash flow from operations and tax reserves set aside or payable (without duplication), exceeds the amount required by the CCAA Entities to permit them to fund their ongoing operations, implement this Plan and the transactions contemplated thereby, and continue to support the Subsidiaries, as determined by the CCAA Entities, with the consent of the Monitor, or by further Order of the Court.

⁵ If the CCAA Entities determine that any portion of Excess Cash that has been transferred to the Creditor Distribution Pool Account in accordance with the Plan (but not yet distributed to Affected Creditors or Intercompany Creditors) is required by the CCAA Entities in order to fund their ongoing business operations following the Plan Implementation Date, the CCAA Entities are permitted to request permission from the Monitor to withdraw such amount from the Creditor Distribution Pool Account as reasonably required by the CCAA Entities in order to operate their business, provided that the request must be in writing and accompanied with such information as may be reasonably requested or required by the Monitor. The Monitor will determine in its sole discretion whether to approve any request by the CCAA Entities to withdraw Excess Cash from the Creditor Distribution Pool Account and will report on same.

35. Any applicable Affected Creditor whose notice information changes will be solely responsible for notifying the Monitor of the change. Affected Creditors may transfer or otherwise dispose of their interest in the Promissory Note, provided that in the event of any such transfer or disposition, the Affected Creditor must provide notice to the CCAA Entities and the Monitor so that the Monitor may update the ledger accordingly.

(ii) *Treatment of Intercompany Creditors*

36. Related party claims in the aggregate amount of approximately \$11 million were accepted in the Claims Process. These were filed by CMMI Canadian Mass Media Inc., Shapiro Capital Corp. and myself (collectively, the “**Intercompany Creditors**”).

37. In an effort to develop a restructuring plan that would maximize value for third-party creditors, the Intercompany Creditors have agreed to partially subordinate their claims under the Plan. Intercompany Creditors will be Unaffected Creditors under the Plan and will not share in the initial distribution to Affected Creditors from the Creditor Distribution Pool made immediately after the Plan Implementation Date, or benefit from an entitlement to the Promissory Note. Intercompany Creditors, as a group, will be entitled to share *pro-rata* with Affected Creditors with Promissory Note Entitlements, as a group, in the Net Proceeds of any Transaction (as noted above) and in any subsequent distributions from the Creditor Distribution Pool made after the Initial Distribution Date.

38. The partial subordination of the Intercompany Creditors is a key feature of the Plan as it maximizes the initial cash distribution to Affected Creditors. This is a significant contribution to the Plan as Intercompany Creditors represent approximately 38% of the CCAA Entities’ unsecured claims.

39. Given that Intercompany Creditors are Unaffected Creditors under the Plan and their claims will not be released thereunder on the Plan Implementation Date, each of the Intercompany Creditors have executed and delivered to the Monitor a written undertaking that, following the Plan Implementation Date and for so long as the CCAA Entities do not commence, re-commence or have commenced against them, as applicable, any insolvency or restructuring proceedings, the Intercompany Creditors shall forbear from taking any and all steps to enforce payment of the Intercompany Claims, until such time at the Promissory Note has been repaid in full or the Promissory Note Maturity Date has occurred.

(iii) Treatment of the CRA

40. In accordance with the terms of the Claims Agreement, the proposed Plan provides that the CRA Claims are to be allowed for voting and distribution purposes in the amounts and as against the applicable CCAA Entity in the manner described above in Section II of this affidavit.

(iv) Treatment of Equity Claims

41. Pursuant to the Plan, holders of Equity Claims (in their capacity as a holder of an Equity Claim) will have no right to vote at or attend the Creditors' Meeting in their capacity as equity holders and will not receive any distributions under the Plan or otherwise receive any other compensation in respect of their Equity Claims, provided that the equity held by the existing shareholders of the Partners and the Partners' interests in Metro 360 shall remain unaffected by the Plan. Furthermore, the Plan provides that, until such time as the Promissory Note is paid in full, none of the CCAA Entities will make any payment, declaration of dividend or distribution to any of their shareholders or partners.

B. Preservation of the Interests of Metro 360 and Rosebud HoldCo in the Subsidiaries

42. As referenced above, the proposed Plan is structured such that the Subsidiaries are a principal source of expected recovery for Affected Creditors, with the CCAA Entities being required to use the Net Proceeds from a Transaction to repay amounts owing under the Promissory Note.

43. Details regarding the Subsidiaries are provided in my Initial Affidavit, my June 2020 Affidavit, as well a number of the reports of the Monitor filed in the Proposal Proceedings and these CCAA proceedings. By way of summary, the interests of Metro 360 and Rosebud HoldCo in the Subsidiaries are as follows:

Subsidiary	Interest Held by Metro 360	Interest Held by Rosebud HoldCo
Well Ventures Corp.	17.72%	3.62%
Handfuel Inc.	50%	--
All Day Nutritionals Canada Ltd.	45%	--
All-Day Nutritionals Inc.	27%	--
Spectral Agriventures Inc.**	8%	--
United Library Services Inc.	--	50%
Lucidsoft Inc. (dba Leankor)	--	<i>de minimis</i>
Recruiter.com Group, Inc.	--	<i>de minimis</i>

*All amounts are approximate and expressed on a fully diluted basis.

**Well Ventures also holds a 36% equity interest in Spectral Agriventures.

44. The CCAA Entities believe that Well Ventures and Handfuel are the two Subsidiaries that are the most advanced and are in the best position to potentially realize meaningful value for Affected Creditors over time. Well Ventures is a manufacturer and distributor of cold pressed juices, kombucha and ready-to-drink alcoholic beverages; and Handfuel is a manufacturer of flavourful and nutritious snack products such as fruit and nut snack mixes. Both businesses have

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developed a strong and growing market presence, and are well positioned for significant future growth coming out of the COVID-19 pandemic. The other Subsidiaries are in a less advanced stage at this time and/or have been more significantly impacted by the COVID-19 pandemic. All Day Nutritionals U.S. and All Day Nutritionals Canada together operate the Swift Work Wellness business, which is marketed towards workplace break rooms and has been significantly impacted by the COVID-19 pandemic with workplaces across Canada and the United States shifting to remote work. Spectral Agriventures' business is in the early stages as it is currently in the process of finalizing financing for its first operational greenhouse. United Library Services is profitable, but is not a large business. Rosebud HoldCo also holds equity interests in Leankor and Recruiter, but such interests are not significant.

45. As referenced above, in order to enable Metro 360 and Rosebud HoldCo to preserve their ownership interests in the Subsidiaries, the Plan provides that the CCAA Entities will establish the Investment Reserve with the Monitor in an amount not exceeding \$1,000,000. The Investment Reserve can be used pursuant to the Plan to permit (but not require) the CCAA Entities to acquire equity securities of the Subsidiaries in order to avoid, or limit, any dilution of their equity interests.

46. The shareholders of Well Ventures, including Metro 360 and Rosebud HoldCo, are subject to a unanimous shareholder agreement which, among other things, provides existing shareholders with the pre-emptive right to purchase their *pro-rata* portion of any new common shares that Well Ventures may from time to time propose to issue or sell to any party. Metro 360 and Rosebud HoldCo have exercised this pre-emptive right in all of Well Ventures' prior funding rounds.

47. Handfuel is presently equally owned by Metro 360 and its partner. Handfuel is currently in the process of negotiating a transaction with a strategic investor with expertise in the processed

nut and snack food sector that would, if completed, be equally dilutive to the equity positions of both Metro 360 and its current partner, but would be accretive of value for the business. It is anticipated that a shareholder agreement will be entered into in connection with any such transaction, and that such agreement will contain pre-emptive rights similar to the rights contained in the Well Ventures unanimous shareholder agreement.

48. Additionally, following discussions with the Monitor, in order to provide further comfort to Affected Creditors that the equity interests of the CCAA Entities in the Subsidiaries will not be unduly diluted or taken up through any other entity, I have delivered a written undertaking to the Monitor pursuant to which I have agreed that, until such time as the Promissory Note has been repaid in full, I will not, whether personally, through any family member or any other partnership or corporation (other than a CCAA Entity), acquire any new shares or share equivalents of a Subsidiary without the consent of the Monitor. The foregoing undertaking does not prevent me from exercising any option, warrant or right issued any under management or employee share plan of a Subsidiary that may be made available to me in the future on the basis that I am then an employee or member of management of the Subsidiary entitled to participate with other employees or management.

49. Under the Plan, the CCAA Entities are required to give notice to the Monitor of any offer received to acquire new equity securities of a Subsidiary and to consult with the Monitor in determining whether to purchase any such securities. If a CCAA Entity, in consultation with the Monitor, determines to purchase any equity securities of a Subsidiary, the CCAA Entity may instruct the Monitor to transfer to it funds from the Investment Reserve sufficient to enable the CCAA Entity to make such investment. If the Monitor, following good-faith consultation with the CCAA Entities, does not agree with any request by a CCAA Entity to use the Investment Reserve

to make an investment in a Subsidiary, the Monitor may refuse to transfer the funds out of the Investment Reserve Account and may apply to the Court for advice and direction on whether it should transfer the funds from the Investment Reserve Account as requested by the CCAA Entity.

50. Any transfer of funds from the Investment Reserve Account by the Monitor to a CCAA Entity to make an investment in a Subsidiary in accordance with the Plan will be considered to be material for the purposes of the Monitor's reporting obligations under the Plan (discussed further below), and the Monitor will prepare, serve and post a report that reports on such transfer and investment.

51. Upon repayment in full of the Promissory Note, the Investment Reserve Account will be closed and any funds therein at such time shall be applied in such manner as the CCAA Entities may direct the Monitor in writing. In the event that there is any balance remaining in the Investment Reserve Account on the date that is three years after the Plan Implementation Date and the Promissory Note remains outstanding, the amount remaining therein shall be paid by the Monitor to the Creditor Distribution Pool for distribution to Affected Creditors with Promissory Note Entitlements on a *pro rata* basis.

C. Plan Transaction Steps and Plan Completion

52. The Plan outlines various steps and transactions to be completed to implement the Plan, including both initial Plan transactions steps and steps subsequent to Plan implementation and the initial distributions.

53. Following the establishment of the Investment Reserve Account, the Disputed Claims Reserve and the Creditor Distribution Pool Account, and after receiving written notice from the

CCAA Entities of the fulfilment of the conditions precedent to the implementation of the Plan, the Monitor will deliver the Monitor's Plan Implementation Date Certificate to the CCAA Entities, serve a copy thereof on the service list in these proceedings and file it with the Court. The date that such certificate is issued will be the Plan Implementation Date. Thereafter, the CCAA Entities will, as soon as reasonably practicable and in any event no later than 30 days, make the initial distributions from the Creditor Distribution Pool Account to Affected Creditors (including Convenience Class Creditors), issue the Promissory Note to the Monitor such that each Affected Creditor (other than a Convenience Class Creditor) with a Proven Claim will become entitled to its Promissory Note Entitlement, and advise Affected Creditors of their Promissory Note Entitlements.

54. After the Plan implementation and completion of the initial distributions and issuance of the Promissory Note, the Plan provides additional steps: (i) the CCAA Entities shall make distributions and transfers from the Disputed Claims Reserve as Disputed Claims are resolved; (ii) from and after the end of the first full fiscal year of Metro 360 following the Plan Implementation Date, the CCAA Entities are required to transfer any Excess Cash to the Creditor Distribution Pool Account; (iii) whenever the cash in the Creditor Distribution Pool Account exceeds \$1,000,000, the CCAA Entities must distribute such cash to Affected Creditors with Promissory Note Entitlements in repayment of the obligations of the CCAA Entities outstanding under the Promissory Note; (iv) when a Transaction occurs, subject to the threshold in paragraph 33(d) above, the Net Proceeds thereof must be paid to Affected Creditors and Intercompany Creditors as noted above; and (v) once all obligations owing under the Promissory Note have been paid in full, the Monitor will provide the Notice of Repayment to the CCAA Entities and serve the Monitor's Plan Completion Certificate on the service list for these proceedings.

D. Approval and Court Sanction of the Plan

55. To be approved, the Plan must receive an affirmative vote by the majorities of the Unsecured Creditors' Class required pursuant to section 6 of the CCAA (the "**Required Majority**"). Following the vote at the Creditors' Meeting, the Scrutineer (as defined below) will tabulate the votes and determine whether the Plan has been approved by the Required Majority of Affected Creditors. The results of the Creditors' Meeting will be binding on all Affected Creditors, whether or not any such Affected Creditor is present or voting at the Creditors' Meeting.

56. The CCAA Entities propose that, if the Plan is approved by the Required Majority, the CCAA Entities will bring a motion during the week of January 10, 2022 (or such later date as is acceptable to the CCAA Entities and the Monitor or otherwise set by the Court) seeking an Order sanctioning the Plan under the CCAA (the "**Sanction Order**").

57. The Plan provides that the form of Sanction Order to be sought by the CCAA Entities will, among other things, declare that:

- (a) upon the filing of the Monitor's Plan Implementation Date Certificate, the CCAA Entities shall no longer be subject to these CCAA proceedings, the CCAA Charges (other than the Proposal Administration Charge) shall be terminated, discharged and released, and each of the CCAA Entities shall be released from the purview of any Order of the Court granted in these CCAA proceedings, provided that:
 - (i) the Proposal Administration Charge shall survive the Plan Implementation Date and the filing of the Monitor's Plan Implementation Date Certificate in order to continue to secure the reasonable fees and disbursements of the

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Monitor and its counsel incurred in carrying out its obligations pursuant to the Plan and the Sanction Order; and

- (ii) the Monitor shall be authorized to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan and matters relating to the Promissory Note and distributions thereunder following the Plan Implementation Date and the termination of the CCAA proceedings, and in doing so, the Monitor (A) shall benefit from all the protections given to it by the CCAA, the Initial Order, any other Order of the Court granted in these CCAA proceedings, and (B) shall incur no liability or obligations as a result of carrying out the provisions of the Plan and the Sanction Order, including with respect to the Promissory Note; and
- (b) upon the filing of the Monitor's Plan Completion Certificate (which, as discussed above, is to be issued by the Monitor once all obligations owing under the Promissory Note have been paid in full), the Monitor shall be fully discharged from any and all further obligations or duties in connection with the CCAA Entities or the Plan, and the Proposal Administration Charge shall be terminated, discharged and released.

58. The CCAA Entities believe that this proposed process will enable the CCAA Entities to efficiently exit CCAA protection, allowing the CCAA Entities to focus on growing the Subsidiaries and working to repay creditors in full over time. Prior to the Sanction Hearing, the CCAA Entities will expand on the proposed transition out of CCAA protection and reasons why

the CCAA Entities believe this structure is appropriate in the circumstances and in the best interests of the CCAA Entities and all of their stakeholders.

E. Other Terms of the Plan

(i) Monitor Reporting

59. From and after the Plan Implementation Date, and for so long as obligations under the Promissory Note remain outstanding, the Monitor and the CCAA Entities shall meet (in person or by phone or videoconference) with such frequency as the Monitor may reasonably request, and the CCAA Entities shall grant the Monitor access to all information and documentation reasonably requested by the Monitor to carry out its duties and reporting obligations set out in the Plan. In this regard, the Monitor shall report at least every six months after the Plan Implementation Date, or periodically in response to or as a result of the occurrence of a material event, as determined by the Monitor in its sole discretion, by preparing a report to be served on the service list in the CCAA proceedings and posted on the Monitor's Website. Such reports will report on, among other things: (i) the affairs, activities and business of the CCAA Entities and the Subsidiaries; (ii) amounts outstanding under the Promissory Note; (iii) the status of any Disputed Claims; (iv) the Investment Reserve, including any amounts transferred or requests to transfer amounts therefrom; (v) any determination regarding Excess Cash; (vi) the Creditor Distribution Pool, including any requests to transfer Excess Cash therefrom; and (vii) actual and projected expenses of the Monitor.

(ii) Assignment of Claims and Promissory Note Entitlements

60. An Affected Creditor (other than a Convenience Class Creditor) may transfer or assign the whole of its claim prior to the Creditors' Meeting provided that any such transferee is not permitted to attend and vote the transferred or assigned Affected Claim at the Creditors' Meeting unless

actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment has been received and acknowledged by the Monitor in writing no later than seven days prior to the Creditors' Meeting.

61. An Affected Creditor may transfer or assign the whole of its claim for distribution purposes after the Creditors' Meeting provided that the CCAA Entities shall not have to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing.

62. As noted above, each Promissory Note Entitlement is also transferable, provided that in the event of any sale or transfer by an Affected Creditor of all or part of their Promissory Note Entitlement, the transferring Affected Creditor must provide written notice to the Monitor and the CCAA Entities promptly upon completion of such transaction so that the Monitor can update the notice information on the Promissory Note's ledger.

IV. MEETING ORDER⁶

63. The proposed Meeting Order provides that the CCAA Entities are authorized to file the Plan and convene a meeting of a single class of creditors comprised of all Affected Creditors – the “Unsecured Creditors' Class” – to consider and vote on the Plan. I believe that the classification of the Unsecured Creditors' Class as a single class is fair and appropriate.

⁶ Capitalized terms used in this Section IV and not otherwise defined in this affidavit have the meaning to such terms in the Meeting Order.

64. The CCAA Entities propose that the Creditors' Meeting will be held virtually by means of a telephonic or electronic facility using a third-party service provider, due to the ongoing COVID-19 pandemic, on December 16, 2021 at 1:00 p.m. (Toronto time).

(i) *Notice of Creditors' Meeting*

65. The proposed Meeting Order provides for the following in respect of the provision of notice of the Creditors' Meeting:

- (a) as soon as practicable after the granting of the Meeting Order, the Monitor shall cause notice of the Creditors' Meeting to be published for one business day in *The Globe and Mail* (National Edition) (the "**Newspaper Notice**");
- (b) as soon as practicable following the granting of the Meeting Order, the Monitor will cause to be sent to each Affected Creditor a notice, the form of which is included as Schedule "F" to the Meeting Order, which includes a link to a copy of the Information Package (which includes the Electronic Meeting Protocol, the Notice of Meeting, the Proxy, the Convenience Class Claim Election and the form of Resolution), the Plan, the Sixth Report and the Monitor's Report on the Plan (the "**Plan Assessment Report**"). Such notice will, in each case, be sent via either e-mail or regular mail to the Affected Creditor's last known e-mail or mailing address which was provided to the CCAA Entities or the Monitor, or as set out in the Affected Creditor's Proof of Claim; and
- (c) as soon as practicable following the granting of the Meeting Order, the Monitor will cause a copy of the Information Package, the Plan and the Meeting Order to be posted on the Monitor's Website.

66. The Newspaper Notice shall include a statement advising that any Affected Creditor wishing to attend the Creditors' Meeting must contact the Monitor to obtain a unique control number and login password (in each case, the "**Credentials**") that will permit the Affected Creditor to access the Creditors' Meeting by electronic means. The Notice of Meeting to be included in the Information Package, the form of which is included as Schedule "B" to the Meeting Order, also includes a statement advising that, in order for any Affected Creditor to attend the Creditors' Meeting, the Affected Creditor must contact the Monitor at least four business days prior to the Creditors' Meeting to obtain their Credentials.

(ii) *Voting and Conduct of the Creditors' Meeting*

67. The proposed Meeting Order provides for, among other things, the following in respect of voting at and the conduct of the Creditors' Meeting:

- (a) the only Persons entitled to vote at the Creditors' Meeting are Affected Creditors with Voting Claims or Disputed Claims (each an "**Eligible Voting Creditor**");
- (b) the only Persons entitled to attend or submit questions at the Creditors' Meeting are representatives of the CCAA Entities and their legal counsel and advisors, representatives of the Monitor and its legal counsel, and the Eligible Voting Creditors (or their respective duly appointed proxyholders) entitled to vote at the Creditors' Meeting pursuant to the Meeting Order and their respective legal counsel and advisors. Any other Person may be admitted to the Creditors' Meeting on invitation of the Chair (as defined below), in consultation with the CCAA Entities;

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- (c) a representative of the Monitor will preside as the chair of the Creditors' Meeting (the "**Chair**") and, subject to the Meeting Order, will, in consultation with the CCAA Entities, decide all matters relating to the conduct of the Creditors' Meeting;
- (d) a person designated by the Monitor shall act as secretary at the Creditors' Meeting and the Monitor may appoint scrutineers for the supervision and tabulation of the attendance, quorum and votes cast at the Creditors' Meeting (the "**Scrutineers**"), who shall tabulate the votes in respect of all Voting Claims at the Creditors' Meeting;
- (e) the quorum required at the Creditors' Meeting shall be one Affected Creditor with a Voting Claim present at the Creditors' Meeting in person or by Proxy;
- (f) any Proxy in respect of the Creditors' Meeting must be: (i) received by the Monitor by 5:00 p.m. at least three business days prior to the Creditors' Meeting (the "**Election/Proxy Deadline**"); and (ii) in substantially the form attached to the Meeting Order or in such other form as may be acceptable to the Monitor or the Chair in consultation with the CCAA Entities;
- (g) for the purposes of voting at the Creditors' Meeting:
 - (i) each Affected Creditor with a Voting Claim or a Disputed Claim shall be entitled to one vote as a member of the Unsecured Creditors' Class. Any Person that does not have a Voting Claim or a Disputed Claim shall not be entitled to vote at the Creditors' Meeting; and

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- (ii) each Convenience Class Creditor shall be deemed to have voted in favour of the Plan;

- (h) the dollar value of a Disputed Claim for voting purposes at the Creditors' meeting shall be the dollar value of such Disputed Claim as accepted by the Monitor for voting purposes. The Monitor shall keep a separate record of votes cast by Affected Creditors holding Disputed Claims. Votes cast in respect of any Disputed Claim shall not be counted for any purpose, unless, until and only to the extent that such Disputed Claim is finally determined to be a Voting Claim in accordance with the Claims Procedure Order;

- (i) any Affected Creditor with one or more Proven Claims in an amount in excess of the Cash Election Amount shall be entitled to elect to receive only the Cash Election Amount and be deemed to vote in favour of the Plan by returning an executed Convenience Class Claim Election to the Monitor prior to the Election/Proxy Deadline. The value of a Convenience Class Creditor's Affected Claim for voting purposes is the actual amount of such Proven Claim. Affected Creditors with one or more Proven Claims in an amount not exceeding the Cash Election Amount are not permitted or required to make a Convenience Class Claim Election and shall receive an amount equal to the actual amount of such Proven Claim as a Convenience Class Creditor in full satisfaction of such Proven Claims;

- (j) the Chair shall direct a vote at the Creditors' Meeting, by such means as the Chair, in consultation with the CCAA Entities, may consider appropriate, with respect to:
 - (i) the Resolution to approve the Plan and any amendments, modifications,

variations and/or supplements thereto made in accordance with the Plan and the Meeting Order; and (ii) any other resolutions as the Chair, in consultation with the CCAA Entities, may consider appropriate;

- (k) following the votes at the Creditors' Meeting, the Scrutineers shall tabulate the votes in the Unsecured Creditors' Class and the Monitor shall determine whether the Plan has been accepted by the Required Majority; and
- (l) the Monitor shall file a report with this Court after the Creditors' Meeting with respect to the results of the votes at the Creditors' Meeting, which report shall be posted on the Monitor's Website prior to the Sanction Hearing.

(iii) Adjournment of Creditors' Meeting

68. The proposed Meeting Order provides that the Creditors' Meeting shall be adjourned to such date, time and place as may be designated by the Chair or the Monitor, in each case in consultation with the CCAA Entities, if:

- (a) the requisite quorum is not present at the Creditors' Meeting; or
- (b) prior to or during the Creditors' Meeting, either the CCAA Entities or the Chair or the Monitor (in consultation with the CCAA Entities) decide to adjourn the Creditors' Meeting, and
- (c) the CCAA Entities shall not be required to first convene the Creditors' Meeting in order to adjourn or postpone the Creditors' Meeting.

(iv) *Plan Amendments*

69. The proposed Meeting Order provides for, among other things, the following in respect of amendments to the Plan:

(a) at any time prior to the Creditors' Meeting, the CCAA Entities may, with the consent of the Monitor, amend the Plan pursuant to the terms thereof (each a "**Plan Modification**"), in which case any such Plan Modification shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan, and the CCAA Entities shall give notice of any such Plan Modification as set out in the Meeting Order; and

(b) after the Creditors' Meeting (including after obtaining the Sanction Order), the CCAA Entities may, with the consent of the Monitor, at any time and from time to time effect a Plan Modification either: (i) pursuant to an Order of the Court, or (ii) where such Plan Modification concerns a matter which, in the opinion of both the CCAA Entities and the Monitor, is of an administrative nature required to better give effect to the implementation of the Plan or to cure any errors, omissions or ambiguities, and in either circumstance is not materially adverse to the financial or economic interests of the Affected Creditors.

70. In the case of each of (a) and (b) above, the Monitor shall forthwith post on the Monitor's Website any such Plan Modification, with notice of such posting forthwith provided to the service list in these proceedings.

(v) *Sanction Hearing*

71. The proposed Meeting Order provides for, among other things, the following in respect of seeking Court approval of the Plan:

- (a) if the Plan has been approved by the Required Majority of the Unsecured Creditors' Class at the Creditors' Meeting, the CCAA Entities will be authorized to bring a motion seeking the Sanction Order on a date to be set in the Meeting Order (i.e. a date during the week of January 10, 2022), or such other date as may be set by the Court;
- (b) any Person who wishes to oppose the motion for the Sanction Order shall serve upon the lawyers for each of the CCAA Entities and the Monitor and upon all other parties on the service list in these proceedings, and file with this Court, a copy of the materials to be used to oppose the motion for the Sanction Order by no later than 5:00 p.m. on the date that is at least four (4) days before the date set for the Sanction Hearing, or such later date as may be determined by the Monitor in consultation with the CCAA Entities; and
- (c) the CCAA Entities shall be authorized to adjourn the Sanction Hearing, and if the Sanction Hearing is adjourned, only those Persons who are listed on the service list in these proceedings shall be served with notice of the adjourned date of the Sanction Hearing.

V. EXTENSION OF THE STAY PERIOD

72. The Stay of Proceedings currently expires on December 31, 2021 (the “**Stay Period**”). The CCAA Entities are seeking an extension of the Stay Period up to and including February 28, 2022 pursuant to the proposed Ancillary Order. The CCAA Entities require additional time to, among other things:

- (a) distribute the Plan and voting materials to the Affected Creditors pursuant to the Meeting Order (if granted); and
- (b) hold the Creditors’ Meeting pursuant to the Meeting Order (if granted) and return before this Court to seek approval of the Plan (if approved at the Creditors’ Meeting).

73. During these CCAA proceedings, the CCAA Entities have continued to work in good faith and with due diligence to, among other things, complete the retrieval and return of unsold Literature Business inventory for a credit and reduction of Metro 360’s payables, complete the Claims Process, work diligently with the CRA to resolve Metro 360’s tax liabilities, determine the CRA’s claim amount against Metro 360 and reconcile the CRA’s claims against the Partners, and to develop and draft the proposed Plan and the materials related to the requested Meeting Order.

74. The CCAA Entities intend to implement the proposed Plan in the first quarter of 2022, and are seeking an extension of the Stay Period to February 28, 2022.

75. I understand that an updated cash flow forecast will be included in the Sixth Report, and that such cash flow forecast will show that the CCAA Entities have sufficient liquidity to operate

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through the requested extended Stay Period. I also understand that the Monitor is supportive of the proposed extension of the Stay Period to and including February 28, 2022.

76. The extension of the Stay Period is necessary to maintain stability for the CCAA Entities while they work diligently and in good faith to pursue their restructuring efforts, including the holding of the Creditors' Meeting to vote on the Plan.

77. I do not believe that any creditor will suffer any material prejudice as a result of the extension of the Stay Period.

VI. CONCLUSION

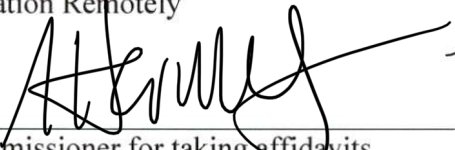
78. The CCAA Entities and their advisors are working diligently and in good faith in respect of all matters relating to these CCAA proceedings.

79. The CCAA Entities have made extensive efforts over several months to advance discussions with representatives of the CRA and DOJ in order to resolve the various tax matters and determine the CRA's claims against the CCAA Entities so that the CCAA Entities could proceed with a restructuring plan that is in the best interests of the Partners, Metro 360 and their various stakeholders.

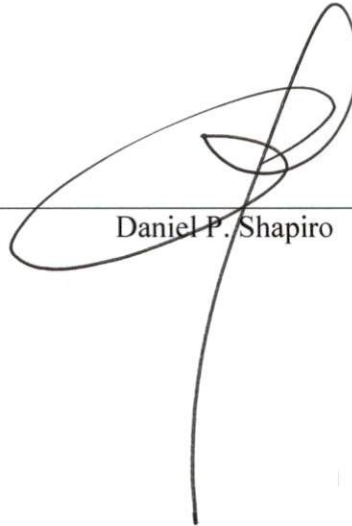
80. The efforts of the CCAA Entities in this regard have led to the Claims Agreement and the proposed Plan. The CCAA Entities believe that the proposed Plan represents the best available outcome for the CCAA Entities and all of their stakeholders, as it preserves the value of the CCAA Entities and the Subsidiaries, and enables the CCAA Entities to work towards paying the claims of Affected Creditors in full over time.

81. For the reasons described above, the CCAA Entities respectfully request that this Court grant the proposed Meeting Order and Ancillary Order.

SWORN BEFORE ME over
videoconference by Daniel P. Shapiro stated
as being located in the City of Toronto in the
Province of Ontario, before me at the City of
Toronto in the Province of Ontario, on
November 10, 2021, in accordance with O.
Reg 431/20, Administering Oath or
Declaration Remotely



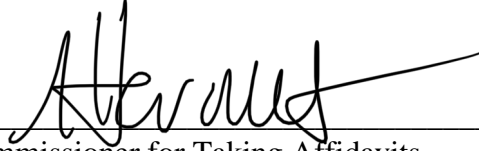
A Commissioner for taking affidavits
Name: Andrew Harmes



Daniel P. Shapiro

A

THIS IS EXHIBIT "A"
TO THE AFFIDAVIT OF DANIEL P. SHAPIRO
SWORN BEFORE ME OVER VIDEOCONFERENCE
THIS 10th DAY OF NOVEMBER, 2021

A handwritten signature in black ink, appearing to read "Alvord", is written over a horizontal line. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits

Court File No. CV-20-00642783-00CL

**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 957855 ALBERTA LTD. (FORMERLY
NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL
CORP. IN RESPECT OF METRO 360 GENERAL
PARTNERSHIP**

Applicants

**PLAN OF COMPROMISE AND ARRANGEMENT
pursuant to the *Companies' Creditors Arrangement Act*
concerning, affecting and involving**

**957855 ALBERTA LTD. (FORMERLY NEWSWEST INC.),
ROSEBUD CREEK FINANCIAL CORP. AND
METRO 360 GENERAL PARTNERSHIP**

●, 2021

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PLAN OF COMPROMISE AND ARRANGEMENT

WHEREAS

- A. 957855 Alberta Ltd (formerly NewsWest Inc.) (“**Alberta HoldCo**”) and Rosebud Creek Financial Corp. (“**Rosebud HoldCo**” and together with Alberta HoldCo, the “**Partners**”) are holding companies that together hold 100% of the interests of Metro 360 General Partnership (“**Metro 360**” and together with the Partners, the “**CCAA Entities**”);
- B. On April 6, 2020, the Partners filed notices of intention to make a proposal (each, a “**NOI**”) under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the “**BIA**”) in order to initiate proceedings (the “**Proposal Proceedings**”) to, among other things, implement the sale of the book, magazine and newspaper wholesale distribution business carried on by Metro 360. Pursuant to the NOIs, KSV Restructuring Inc. (“**KSV**”) (formerly, KSV Kofman Inc.) was appointed as proposal trustee;
- C. On June 17, 2020, the Partners obtained an Order (as it may be amended, restated or varied from time to time, the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List), among other things, taking up and continuing the Proposal Proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”);
- D. Although Metro 360 is not an applicant in the CCAA proceedings, the Initial Order, among other things, extended the stay of proceedings and certain other protections provided by the Initial Order to Metro 360. The Initial Order also appointed KSV as the monitor of the CCAA Entities (in such capacity, the “**Monitor**”) in the CCAA proceedings;
- E. Pursuant to the Initial Order, the CCAA Entities have the authority to file with the Court a plan of compromise or arrangement;
- F. Pursuant to an agreement dated October 21, 2021 (the “**Claims Agreement**”), the CCAA Entities and the Minister of National Revenue, on behalf of the Canada Revenue Agency (the “**CRA**”), agreed to settle all claims of the CRA against the CCAA Entities, certain terms and conditions of which CRA Claims Agreement are reflected in this plan of compromise and arrangement (the “**Plan**”); and
- G. The CCAA Entities hereby propose and present this Plan under and pursuant to the CCAA.

ARTICLE I INTERPRETATION

1.1 Definitions

In the Plan, unless otherwise stated or unless the subject matter or context otherwise requires:

“**Affected Claim**” means a Claim other than an Unaffected Claim, which, for greater certainty, shall include the CRA Claims;

“**Affected Creditor**” means a Creditor who holds an Affected Claim;

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“**Applicable Law**” means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada or any other country or any domestic or foreign province, state, city, county or other political subdivision;

“**Assessments**” means Claims of Her Majesty the Queen in Right of Canada or of Her Majesty the Queen in Right of any province or territory or of any municipality or of any other Taxing Authority in any Canadian or other jurisdictions, including without limitation amounts which may arise or have arisen under any notice of assessment, notice of objection, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any Taxing Authority;

“**Available Funds**” means all Cash of the CCAA Entities as at the Plan Implementation Date, net of a Cash holdback of \$2,000,000, which amount is to remain with and available to the CCAA Entities to permit them to fund their ongoing operations following the Plan Implementation Date;

“**BIA**” has the meaning given to it in the Recitals;

“**BIA Procedure Order**” means the Order of the Court dated April 7, 2020 issued in the Proposal Proceedings;

“**Business**” means the direct and indirect operations and activities carried on, or formerly carried on, by the CCAA Entities both before and after the Filing Date;

“**Business Day**” means a day, other than a Saturday, Sunday or a statutory holiday in the Province of Ontario, on which banks are open for business in the City of Toronto, Ontario, Canada;

“**Capital Expenditures**” with respect to any Person, means the aggregate of all expenditures by such Person for the acquisition or leasing of fixed or capital assets, software or additions to equipment (including replacements, capitalized repairs and improvements) which are required to be capitalized under GAAP on the balance sheet of such Person;

“**Cash**” means cash, certificates of deposit, bank deposits, commercial paper, treasury bills and other cash equivalents;

“**Cash Election Amount**” means \$2,500;

“**CCAA**” has the meaning given to it in the Recitals;

“**CCAA Charges**” means the Proposal Administration Charge and the Directors’ Charge;

“**CCAA Entities**” has the meaning given to it in the Recitals;

“**CCAA Entities Released Party**” has the meaning given to such term in Section 9.1(a);

“**CCAA Proceedings**” means the CCAA proceedings in respect of the CCAA Entities pursuant to the Initial Order and having court file number CV-20-00642783-00CL;

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“**Claim**” means a Pre-filing Claim, a Restructuring Period Claim and a D&O Claim, and, for greater certainty, “**Claim**” shall not include an Excluded Claim but shall include any Claim arising through subrogation against any of the CCAA Entities or any Director or Officer;

“**Claims Agreement**” has the meaning given to it in the Recitals;

“**Claims Bar Date**” shall have the meaning as provided therefor in the Claims Procedure Order;

“**Claims Procedure Order**” means the Order of the Court dated September 16, 2020 (including all schedules and appendices thereto) issued in the CCAA Proceedings approving and implementing the claims procedure in respect of the CCAA Entities and the Directors and Officers, as may be amended, restated or varied from time to time;

“**Conditions Precedent**” means the conditions precedent to Plan implementation set out in Section 11.1;

“**Convenience Class Claim**” means: (a) one or more Proven Claims of an Affected Creditor that are less than or equal to \$2,500 in the aggregate; and (b) one or more Proven Claims of an Affected Creditor in an amount in excess of \$2,500 in the aggregate and which the relevant Affected Creditor has validly elected to value at \$2,500 for the purposes of the Plan pursuant to a Convenience Class Claim Election;

“**Convenience Class Claim Declaration**” means an election form, substantially in the form attached as a schedule to the Meeting Order, pursuant to which an Affected Creditor with one or more Proven Claims that are in an amount in excess of \$2,500, in the aggregate, may make a Convenience Class Claim Election;

“**Convenience Class Claim Election**” means an election pursuant to which an Affected Creditor with one or more Proven Claims that are in an amount in excess of \$2,500 in the aggregate has elected by the Election/Proxy Deadline to receive only the Cash Election Amount and is thereby deemed to vote in favour of the Plan in respect of such Proven Claim and to receive no other entitlements under the Plan;

“**Convenience Class Creditor**” means an Affected Creditor having a Convenience Class Claim;

“**Court**” means the Ontario Superior Court of Justice (Commercial List) or any appellate court seized with jurisdiction in the CCAA Proceedings, as the case may be;

“**CRA**” has the meaning given to it in the Recitals;

“**CRA Claims**” has the meaning given to in Schedule B;

“**Creditor**” means any Person asserting an Affected Claim or an Unaffected Claim and may, where the context requires, include the assignee of such Claim or a personal representative, agent, litigation guardian, mandatary, trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

“**Creditor Distribution Pool**” means the Cash pool held by the CCAA Entities comprised of the Available Funds after the creation of the Disputed Claims Reserve and the Investment Reserve in

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accordance with, and in the sequence set out in, Sections 5.1, 5.2 and 5.3, and shall include, for greater certainty, any Excess Cash that is transferred to the Creditor Distribution Pool Account from time to time in accordance with Section 6.8;

“Creditor Distribution Pool Account” means a segregated interest-bearing account established by the CCAA Entities to hold the Creditor Distribution Pool;

“Creditors’ Meeting” means the meeting of Affected Creditors to be called and held pursuant to the Meeting Order for the purpose of considering and voting upon the Plan, and includes any adjournment, postponement or rescheduling of such meeting;

“D&O Claim” means any right or claim of any Person against one or more of the Directors and/or Officers howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer;

“Director” means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the CCAA Entities, in such capacity;

“Directors’ Charge” means the charge over the Property created by paragraph 26 of the Initial Order, and having the priority provided in paragraphs 38 and 40 of such Order;

“Disputed Claim” means that portion of an Affected Claim of an Affected Creditor in respect of which a Proof of Claim or Notice of Dispute has been filed in accordance with the Claims Procedure Order that has not been finally determined to be a Proven Claim in whole or in part in accordance with the Claims Procedure Order, the Meeting Order, or any other Order made in the CCAA Proceedings;

“Disputed Claims Reserve” means the cash reserve to be established on the Plan Implementation Date by the CCAA Entities from the Available Funds in an amount equal to the expected initial distributions to be made to all Creditors with Disputed Claims (based on the face value of each Disputed Claim), and as approved by the Court under the Sanction Order, which cash reserve shall be held by the Monitor in the Disputed Claims Reserve Account for distribution in accordance with the Plan;

“Disputed Claims Reserve Account” means a segregated interest-bearing trust account established by the Monitor to hold the Disputed Claims Reserve;

“Effective Time” means 12:01 a.m. on the Plan Implementation Date or such other time on such date as the CCAA Entities and the Monitor shall determine or as otherwise ordered by the Court;

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“**Election/Proxy Deadline**” means the deadline for making a Convenience Class Claim Election and for submitting Proxies in accordance with the Meeting Order;

“**Encumbrance**” means any charge, mortgage, lien, pledge, claim, restriction, security interest, security agreement, hypothecation, assignment, deposit arrangement, hypothec, lease, rights of others including without limitation Transfer Restrictions, deed of trust, trust or deemed trust, lien, financing statement, preferential arrangement of any kind or nature whatsoever, including any title retention agreement, or any other arrangement or condition which in substance secures payment or performance of any obligations, action, claim, demand or equity of any nature whatsoever, execution, levy, charge or other financial or monetary claim, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, or other encumbrance, whether created or arising by agreement, statute or otherwise at law, attaching to property, interests or rights and shall be construed in the widest possible terms and principles known under law applicable to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under Applicable Law, including without limiting the generality of the foregoing, the CCAA Charges;

“**Equity Claim**” has the meaning given to it in Section 2 of the CCAA;

“**ETA**” means the *Excise Tax Act* (Canada), R.S.C. 1985, c.E-15, as amended;

“**Excess Cash**” means, without duplication, with respect to any fiscal year of the CCAA Entities, the amount by which cash flow from operations (including, for greater certainty, Cash from any payment, declaration of dividend or distribution to any of the CCAA Entities by or from any Subsidiary), in the aggregate, taking into account any Capital Expenditures and any taxes not otherwise deducted from cash flow from operations and tax reserves set aside or payable (without duplication), exceeds the amount required by the CCAA Entities to permit them to fund their ongoing operations, implement this Plan and the transactions contemplated hereby, and continue to support the Subsidiaries, as determined by the CCAA Entities, with the consent of the Monitor, or by further Order of the Court. For greater certainty, the Monitor shall report on any determination of Excess Cash as part of its reporting obligations under Section 8.1 of the Plan;

“**Excluded Claim**” means any right or claim that would otherwise be a Claim that is:

- (a) a Claim secured by the Proposal Administration Charge, and any indemnity claims of Directors and Officers that are secured by the Directors’ Charge;
- (b) a Claim enumerated in Sections 5.1(2) and 19(2) of the CCAA;
- (c) Intercompany Claims;
- (d) Post-Filing Claims;
- (e) Government Priority Claims; and
- (f) Equity Claims;

“**Filing Date**” means April 6, 2020;

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“**Final Distribution Date**” means the date on which the Promissory Note has been repaid in full;

“**Final Order**” means a final Order of the Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal or motion for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

“**GAAP**” means generally accepted accounting principles which are in effect from time to time in Canada, applied in a consistent manner from period to period, including the accounting recommendations published in the *CPA Canada Handbook* which, for greater certainty, shall be interpreted to include the International Financial Reporting Standards (IFRS);

“**Government Priority Claims**” means all Claims of Governmental Authorities that are enumerated in Section 6(3) of the CCAA that were outstanding on the Filing Date and which have not been paid by the Plan Implementation Date;

“**Governmental Authority**” means any government, including any federal, provincial, territorial or municipal government, and any government department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government including without limitation any Taxing Authority;

“**GST/HST**” means the goods and services tax and the harmonized sales tax imposed under the ETA;

“**Guarantee**” means any guarantee, indemnity, surety or similar agreement granted by a Person to guarantee, indemnify or otherwise hold harmless any Person from or against any losses, liabilities or damages of that Person;

“**Initial Distribution Date**” means a date agreed to by the CCAA Entities and the Monitor which shall be as soon as reasonably practicable following the Plan Implementation Date, and in any event no later than thirty (30) days following the Plan Implementation Date;

“**Initial Order**” has the meaning given to it in the Recitals;

“**Intercompany Claim**” means any Claim by any Intercompany Creditor against a CCAA Entity that, as of the date of this Plan is a Proven Claim;

“**Intercompany Creditor**” means any affiliated companies, partnerships or other entity or Person related to any of the CCAA Entities that have asserted or may assert any Claim, including, without limitation, CMMI Canadian Mass Media Inc., Shapiro Capital Corp. and Daniel P. Shapiro, and any valid assignee thereof;

“**Intercompany Released Party**” has the meaning given to it in Section 9.1(c);

“**Investment Reserve**” means a cash reserve in an amount to be agreed by the Monitor and the CCAA Entities, not exceeding \$1,000,000, and approved by the Court pursuant to the Sanction Order, which Investment Reserve shall be established out of the Available Funds and deposited by the CCAA Entities in the Investment Reserve Account in accordance with the terms of this Plan and for the purposes described in Section 6.5;

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“**Investment Reserve Account**” means a segregated interest-bearing account established by the Monitor to hold the Investment Reserve;

“**ITA**” means in the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.), as amended;

“**Liabilities**” means all indebtedness, obligations and other liabilities of a Person whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due;

“**Literature Business Inventory**” means the inventory of magazines and periodicals related to Metro 360’s former literature distribution business;

“**Meeting Materials**” has the meaning given to it in the Meeting Order;

“**Meeting Order**” means the Order to be made by the Court in the CCAA Proceedings that, among other things, accepts the filing of this Plan, sets the date for the Creditors’ Meeting and approves the Meeting Materials, as the same may be amended, restated or varied from time to time;

“**Monitor**” has the meaning given to it in the Recitals;

“**Monitor’s Plan Completion Certificate**” means a certificate substantially in the form to be attached as a schedule to the Sanction Order, to be served on the service list established in the CCAA Proceedings and filed by the Monitor with the Court upon delivery by the Monitor of the Notice of Repayment;

“**Monitor’s Plan Implementation Date Certificate**” means a certificate substantially in the form to be attached as a schedule to the Sanction Order stating that the Plan Implementation Date has occurred and that the Plan is effective in accordance with its terms and the terms of the Sanction Order, to be delivered by the Monitor to the CCAA Entities, served on the service list established in the CCAA Proceedings, and filed with the Court upon receipt by the Monitor of written notice from the CCAA Entities of the fulfilment of the Conditions Precedent to implementation of the Plan;

“**Notice of Repayment**” has the meaning ascribed thereto in Section 7.3(a);

“**Officer**” means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or de facto officer of any of the CCAA Entities, in such capacity;

“**Order**” means any order of the Court, or any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;

“**Person**” means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust (including a real estate investment trust), unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity;

“**Plan**” means this plan of compromise and arrangement under the CCAA, including the Schedules hereto, as amended, supplemented or replaced from time to time;

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“Plan Implementation Date” means the Business Day on which all of the Conditions Precedent to the implementation of the Plan have been fulfilled and the Plan has become effective, as evidenced by the Monitor’s Plan Implementation Date Certificate to be delivered to the CCAA Entities and filed with the Court;

“Plan Transaction Steps” means the steps or transactions considered necessary or desirable to give effect to the transactions contemplated in the Plan, being those steps or transactions set out in Sections 7.2 and 7.3, and **“Plan Transaction Step”** means any such individual step or transaction;

“Post-Filing Claim” means any claims against any of the CCAA Entities (a) in respect of goods or services provided to the CCAA Entities in the ordinary course of business after the Filing Date and before the Plan Implementation Date; and (b) in compliance with the Initial Order and other Orders issued in connection with the CCAA Proceedings;

“Pre-filing Claim” means any right or claim of any Person against the CCAA Entities, whether or not asserted, in connection with any Liability or obligation of any kind whatsoever of any CCAA Entity in existence on the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against the CCAA Entities with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which Liability or obligation is based in whole or in part on facts that existed prior to the Filing Date, including for greater certainty any claim against any CCAA Entity for indemnification by any Director or Officer in respect of a D&O Claim (but excluding any such claim for indemnification that is covered by the Directors’ Charge);

“Pro Rata Share” means the fraction that is equal to (a) the amount of the Proven Claim or Disputed Claim of an Affected Creditor who is not a Convenience Class Creditor, divided by (b) the aggregate amount of all Proven Claims and Disputed Claims held by Affected Creditors who are not Convenience Class Creditors;

“Promissory Note” means the unsecured promissory note in the principal amount equal to the aggregate amount of all Promissory Note Entitlements, as determined in accordance with Section 4.2(3)(b) of the Plan, to be issued by the CCAA Entities on or after the Plan Implementation Date to the Monitor in trust in favour of those Affected Creditors having a Promissory Note Entitlement, and held by the Monitor for the benefit of the beneficiaries of such promissory note, which Promissory Note shall be substantially in the form appended hereto as Schedule A;

“Promissory Note Entitlement” has the meaning given to such term in Section 4.2(3)(b);

“Promissory Note Maturity Date” means the earlier of: (A) the date that is five (5) years following the Plan Implementation Date, as such date may be extended by the CCAA Entities, with the consent of the Monitor, for up to two (2) additional five (5) year periods, and (B) the date on which the CCAA Entities repay the Promissory Note in full, in each case in accordance with the terms of the Promissory Note;

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“**Promissory Note Proceeds**” means the amounts payable to the beneficiaries of the Promissory Note on the Promissory Note Maturity Date or such earlier time(s) as may be the case pursuant to this Plan and the terms and conditions of the Promissory Note;

“**Proof of Claim**” means the form that was to be completed and filed by a Creditor, pursuant to the Claims Procedure Order, by the Claims Bar Date setting forth its applicable Claim;

“**Property**” means all current and future assets, undertakings and properties of the CCAA Entities, of every nature and kind whatsoever, and wherever situate, including all Cash or other proceeds thereof;

“**Proposal Administration Charge**” means the charge over the Property created by paragraph 14 of the BIA Procedure Order that was continued in the CCAA Proceedings pursuant to paragraph 36 of the Initial Order, and having the priority provided in paragraphs 38 and 40 of the Initial Order;

“**Proposal Proceedings**” has the meaning given such term in the Recitals;

“**Proven Claim**” means a Claim of an Affected Creditor, finally determined in accordance with the Claims Procedure Order for voting and distribution purposes under the Plan;

“**Proxy**” means the proxy form enclosed with the Meeting Materials to be delivered to or otherwise made available to the Affected Creditors in accordance with the Meeting Order;

“**Released Claims**” means the matters that are subject to the release and discharge pursuant to Section 9.1 of the Plan;

“**Released Parties**” means the Persons who are released pursuant to Section 9.1 of the Plan, including the CCAA Entities Released Parties, the Intercompany Released Parties and the Third Party Released Parties;

“**Required Majority**” means a majority in number of Affected Creditors who represent at least two-thirds in value of the Voting Claims of such Affected Creditors who actually vote on the Resolution (in person or by Proxy) at the Creditors’ Meeting or who were deemed to vote on the Resolution in accordance with the Plan and the Meeting Order;

“**Resolution**” means the resolution approving the Plan presented to the Affected Creditors for consideration at the Creditors’ Meeting;

“**Restructuring Period Claim**” means any right or claim of any Person against the CCAA Entities in connection with any Liability or obligation of any kind whatsoever owed by the CCAA Entities to such Person arising out of the restructuring, disclaimer, resiliation, termination or breach by the CCAA Entities on or after the Filing Date of any contract, lease or other agreement whether written or oral;

“**Sanction Order**” means the Order to be granted by the Court as contemplated under the Plan which, among other things, approves and sanctions the Plan and the transactions contemplated thereunder, as such Order may be amended by any court of competent jurisdiction, in form and content satisfactory to the CCAA Entities and the Monitor;

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“**Section 296 Claim**” has the meaning given to in Schedule B;

“**Section 296(1)(b) Assessments**” has the meaning given to in Schedule B;

“**Subsidiaries**” means Spectral Agriventures Inc., Well Ventures Corp., Handfuel Inc., All Day Nutritionals Canada Ltd., All Day Nutritionals Inc., United Library Services Inc., Recruiter.com Group, Inc. and Lucidsoft Inc. (dba Leankor), and “**Subsidiary**” means any one of them;

“**Tax**” means any and all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property, and personal property taxes and other taxes, customs, duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers’ compensation premiums, together with any instalments with respect thereto, and any interest, penalties, fines, fees, other charges and additions with respect thereto;

“**Tax Obligation**” means any amount of Tax owing or required to be remitted by a Person to a Taxing Authority;

“**Taxing Authorities**” means Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, and “**Taxing Authority**” means any one of the Taxing Authorities;

“**Termination Claim Statement**” has the meaning given to it in the Claims Procedure Order;

“**Third Party Released Party**” has the meaning given to it in Section 9.1(b);

“**Transaction**” has the meaning given to it in Section 6.4;

“**Transfer Restrictions**” means any and all restrictions on the transfer of shares, limited partnership or other units or interests in real property including without limitation all rights of first refusal, rights of first offer, shotgun rights, purchase options, change of control consent rights, puts or forced sales provisions or similar rights of shareholders or lenders in respect of such interests;

“**Unaffected Claim**” means an Excluded Claim;

“**Unaffected Creditor**” means a holder of an Excluded Claim, but only in respect of and to the extent of its Excluded Claim;

“**Uncashed Distribution**” has the meaning given to it in Section 6.6;

“**Uncashed Distribution Notification Deadline**” means the date that is six (6) months from the date of the related distribution, or such later date that may be ordered by the Court;

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“**Unsecured Creditors’ Class**” has the meaning ascribed thereto in Section 3.2;

“**Voting Claim**” means the amount of the Affected Claim of an Affected Creditor as finally determined for voting purposes in accordance with the Claims Procedure Order and the Meeting Order entitling such Affected Creditor to vote at the Creditors’ Meeting in accordance with the provisions of the Meeting Order, the Plan and the CCAA, and includes, for greater certainty, a Proven Claim;

“**Website**” means www.ksvadvisory.com/insolvency-cases/case/metro360; and

“**Withholding Obligation**” has the meaning ascribed thereto in Section 6.12(c).

1.2 Certain Rules of Interpretation

For the purposes of the Plan:

- (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, restated or varied from time to time;
- (c) unless otherwise specified, all references to currency are in Canadian dollars;
- (d) the division of the Plan into “Articles” and “Sections” and the insertion of a Table of Contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of “Articles” and “Sections” otherwise intended as complete or accurate descriptions of the content thereof;
- (e) references in the Plan to “Articles”, “Sections”, “Subsections” and “Schedules” are references to Articles, Sections, Subsections and Schedules of or to the Plan;
- (f) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a Schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (g) the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes but is not limited to” and “including but not limited to”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (h) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all

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amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;

- (i) the terms “the Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions shall be deemed to refer generally to the Plan and not to any particular “Article”, “Section” or other portion of the Plan and include any documents supplemental hereto; and
- (j) the word “or” is not exclusive.

1.2 Time

For purposes of the Plan, unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean prevailing local time in Toronto, Ontario, Canada, unless otherwise stipulated.

1.3 Date and Time for any Action

For purposes of the Plan:

- (a) In the event that any date on which any action is required to be taken under the Plan by any Person is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and
- (b) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

1.4 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, liquidators, receivers, trustees in bankruptcy, and successors and assigns of any Person or party named or referred to in the Plan.

1.5 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

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1.6 Schedules

The following are the Schedules to the Plan, which are incorporated by reference into the Plan and form a part of it:

- Schedule A – Form of Promissory Note
- Schedule B – CRA Claims

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purposes of the Plan are to:

- (a) implement a restructuring of the CCAA Entities;
- (b) provide for the compromise, settlement and payment of all Affected Claims by providing holders of Affected Claims that are Proven Claims with a distribution from the Creditor Distribution Pool and, if the Affected Creditor is not a Convenience Class Creditor, a Promissory Note Entitlement, which together are intended to provide Affected Creditors having Proven Claims with the opportunity to receive payment of their Affected Claims in full over time;
- (c) provide for the discharge and release of all Affected Claims and Released Claims;
- (d) implement the Claims Agreement with the CRA;
- (e) enable the CCAA Entities to continue to operate as going concerns from and after the Plan Implementation Date; and
- (f) provide the Subsidiaries with time to execute on their strategic plans such that they can be monetized in due course, thereby allowing creditor recoveries to be maximized from those monetization transactions,

all in the expectation that Persons who have an economic interest in the CCAA Entities will derive a greater benefit from the implementation of the Plan than would result from a bankruptcy of the CCAA Entities.

2.2 Persons Affected

The Plan provides for a compromise, settlement and/or payment of the Affected Claims. The Plan will become effective at the Effective Time in accordance with its terms and in the sequence set forth in Section 7.2 hereof and shall be binding on and shall enure to the benefit of the CCAA Entities, the Affected Creditors, the Released Parties, any Person with a Released Claim and all other Persons directly or indirectly named or referred to in, or subject to, the Plan.

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2.3 Persons Not Affected

Except as otherwise set out in this Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect any CCAA Entity's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

ARTICLE 3 CLASSIFICATION OF CREDITORS, VOTING AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purposes of approving the Plan, the Affected Creditors shall constitute a single class, the "Unsecured Creditors' Class".

3.3 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order and any further Order of the Court.

3.4 Voting

Each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim, save and except as provided in Section 3.5(c) below in respect of the Section 296 Claim. For certainty, Persons holding Equity Claims and holders of Intercompany Claims shall not be entitled to vote on the Plan.

3.5 Procedure for Valuing Voting Claims and Treatment of CRA Claims

- (a) The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Meeting Order, the Plan and the CCAA. The CCAA Entities, in consultation with the Monitor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.
- (b) Notwithstanding the foregoing, and subject to Section 3.5(c) below, the CRA Claims shall be allowed for voting and distribution purposes in the amounts and as against the applicable CCAA Entity as set out on Schedule B hereto.

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- (c) Subject to and in accordance with the terms of the Claims Agreement, the Section 296 Claim shall be reduced dollar for dollar to the extent that Metro 360: (i) makes payment to any Affected Creditors on account of GST/HST that has been included in the Section 296(1)(b) Assessments; (ii) has completed returns of Literature Business Inventory and added amounts to its net tax on account of amounts included in the Section 296(1)(b) Assessments; and (iii) has refunded to its customers any GST/HST included within the Section 296(1)(b) Assessments. For greater certainty, the Section 296 Claim does not constitute a Voting Claim and the CRA shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of the Section 296 Claim.

3.6 Approval by Creditors

In order to be approved, the Plan must receive the affirmative vote of the Required Majority of the Unsecured Creditors' Class.

3.7 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to or claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised and/or released under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised and/or released under the Plan.

3.8 Set-Off

The law of set-off applies to all Claims, and the CCAA Entities shall be entitled to set-off from any payment or distribution to be made to a Person holding a Claim pursuant to this Plan any amounts due and owing to the CCAA Entities from such Person.

ARTICLE 4 TREATMENT OF CREDITORS

4.1 Compromise of Claims

On the Plan Implementation Date, all Affected Creditors will receive the treatment as provided in this Plan on account of their Proven Claims and all Affected Claims will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred subject to the rights of Affected Creditors with Proven Claims to receive distributions pursuant to Section 4.2 of the Plan as well as their Promissory Note Entitlement, as applicable.

4.2 Treatment of Affected Claims

(1) Affected Creditors Having Proven Claims Not Exceeding the Cash Election Amount

On the Initial Distribution Date, each Affected Creditor with Proven Claims that are less than or equal to the aggregate Cash Election Amount will receive, in full satisfaction of such Proven Claims, cash payment in an amount equal to the amount of their Proven Claims and shall receive no further distributions or other entitlements under the Plan.

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(2) *Affected Creditors Having Proven Claims in Excess of the Cash Election Amount who Execute a Convenience Class Claim Election*

On the Initial Distribution Date, each Affected Creditor with Proven Claims in the aggregate in excess of the Cash Election Amount but who has made a Convenience Class Claim Election by delivering a duly completed Convenience Class Claim Declaration to the Monitor by the Election/Proxy Deadline shall be treated for all purpose as a Convenience Class Creditor and will receive, in full satisfaction of such Proven Claims, cash payment in an amount equal to the Cash Election Amount and shall receive no further distributions or other entitlements under the Plan.

(3) *Affected Creditors Having Proven Claims in Excess of the Cash Election Amount who do Not Execute a Convenience Class Claim Election*

On the Initial Distribution Date, each Affected Creditor with Proven Claims in the aggregate in excess of the Cash Election Amount who has not delivered a duly completed Convenience Class Claim Election to the Monitor by the Election/Proxy Deadline, will receive, in full satisfaction of such Proven Claims:

- (a) payment of its Pro Rata Share of the balance of the Creditor Distribution Pool after deducting the amounts paid to Convenience Class Creditors in accordance with Sections 4.2(1) and 4.2(2); and
- (b) the balance of its Proven Claim amount remaining after the cash payment provided for in Section 4.2(3)(a) above, by way of an entitlement to such Affected Creditor's Pro Rata Share of the Promissory Note (each, a "**Promissory Note Entitlement**"). Notwithstanding anything to the contrary contained in this Plan, the term "Promissory Note Entitlement" shall be deemed to include the balance (based on the face value) of any Disputed Claim that is not accounted for in the Disputed Claims Reserve, and each Affected Creditor (other than a Convenience Class Creditor) with a Disputed Claim that has become a Proven Claim in whole or in part, shall become entitled to its Promissory Note Entitlement upon its Disputed Claim becoming a Proven Claim, whether in whole or in part, as if its Disputed Claim been a Proven Claim on and as of the Initial Distribution Date.

4.3 Unaffected Claims

Unaffected Claims shall not be compromised under the Plan. No holder of an Unaffected Claim shall:

- (a) be entitled to vote on or approve the Plan or attend at the Creditors' Meeting; or
- (b) be entitled to or receive any distributions pursuant to the Plan in respect of such Unaffected Claim, unless specifically provided for under and pursuant to the Plan.

4.4 Intercompany Claims

Intercompany Creditors will not be entitled to any distributions made pursuant to Section 4.2 of the Plan. Notwithstanding the foregoing, Intercompany Creditors will be entitled to receive distributions from the proceeds of a Transaction as provided for in Section 6.4 of the Plan and any

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subsequent distributions pursuant to Section 6.8 of the Plan, which distributions, in each case, shall be applied to reduce their Intercompany Claims. By way of written undertaking addressed to the Monitor, the Intercompany Creditors have agreed that, following the Plan Implementation Date, and for so long as the CCAA Entities do not commence, re-commence or have commenced against them, as applicable, any proceedings under the BIA, the CCAA, the *Canada Business Corporations Act*, the *Winding-Up and Restructuring Act* (Canada) or any other similar legislation, the Intercompany Creditors shall forbear from taking any and all steps to enforce payment of the Intercompany Claims until such time as the CCAA Entities have repaid in full all Promissory Note Entitlements or the Promissory Note Maturity Date has occurred.

For greater certainty, Intercompany Creditors shall not be entitled to vote at the Creditors' Meeting.

4.5 Equity Claims

All Persons holding Equity Claims (in their capacity as a holder of an Equity Claim) shall not be entitled to vote at or attend the Creditors' Meeting and shall not receive any distributions under the Plan or otherwise receive any other compensation in respect of their Equity Claims, provided that the equity held by the existing shareholders of the Partners and the Partners' interests in Metro 360 shall remain unaffected by the Plan. Until such time as the Promissory Note is paid in full, none of the CCAA Entities shall make any payment, declaration of dividend or distribution to any of their shareholders or partners. For greater certainty, nothing in this Plan shall restrict Metro 360 from paying, or management of Metro 360 from receiving, as applicable: (i) employment remuneration payable for services rendered, and/or (ii) any management fees payable to management of Metro 360 in connection with Metro 360's management of a Subsidiary, in each case, where such amounts are properly incurred and payable in the normal course consistent with past practice.

4.6 Government Priority Claims

All Government Priority Claims, if any, to the extent unpaid prior to the Plan Implementation Date, shall be paid in accordance with Subsection 6(3) of the CCAA forthwith following the Plan Implementation Date from the Creditor Distribution Pool.

ARTICLE 5 RESERVES AND CASH POOLS

5.1 Creation of the Investment Reserve

At or before the Plan Implementation Date, the CCAA Entities shall transfer from the Available Funds the amount of Cash necessary to establish the Investment Reserve to the Investment Reserve Account to be established by the Monitor. The Monitor shall hold the Investment Reserve in the Investment Reserve Account in accordance with Section 6.5.

5.2 Creation of the Disputed Claims Reserve

At or before the Plan Implementation Date, the CCAA Entities shall transfer from the Available Funds the amount of Cash necessary to establish the Disputed Claims Reserve to the Disputed Claims Reserve Account to be established by the Monitor. The Monitor shall hold the Disputed

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Claims Reserve in the Disputed Claims Reserve Account for the purpose of paying amounts to Affected Creditors in respect of their Disputed Claims which have become Proven Claims, in whole or in part, in accordance with the Claims Procedure Order and the Plan.

5.3 Creation of the Creditor Distribution Pool

At or before the Plan Implementation Date and following the creation of the Investment Reserve and the Disputed Claims Reserve, the CCAA Entities shall transfer the balance of the Available Funds to the Creditor Distribution Pool Account to establish the Creditor Distribution Pool.

The CCAA Entities shall hold the Creditor Distribution Pool in the Creditor Distribution Pool Account, under the supervision of the Monitor, and shall distribute such monies in accordance with Sections 6.1 and 6.8 of the Plan.

ARTICLE 6 PROVISIONS REGARDING DISTRIBUTIONS AND MECHANICS OF THE PLAN

All distributions to be effected pursuant to the Plan shall be made pursuant to this Article 6 and shall occur in the manner set out below under the supervision of and as confirmed by the Monitor.

Notwithstanding any other provisions of the Plan, no distributions shall be made by the CCAA Entities with respect to all or any portion of a Disputed Claim, unless and only to the extent that such Disputed Claim has become a Proven Claim.

6.1 Initial Distribution from the Creditor Distribution Pool Account to Affected Creditors with Proven Claims

On the Initial Distribution Date, the Cash in the Creditor Distribution Pool Account shall be distributed by the CCAA Entities, as follows:

- (a) each Convenience Class Creditor shall receive a distribution in the amount of its Convenience Class Claim, by cheque sent by prepaid ordinary mail to the address for such Convenience Class Creditor as set out in its Termination Claim Statement or Proof of Claim; and
- (b) each Affected Creditor (other than a Convenience Class Creditor) with a Proven Claim shall receive a distribution in an amount equal to its Pro Rata Share of the Cash in the Creditor Distribution Pool Account (after effecting the payments in Section 6.1(a)) by cheque sent by prepaid ordinary mail to the address for such Affected Creditor as set out in its Termination Claim Statement or Proof of Claim.

6.2 Mechanics with Respect to the Promissory Note

- (a) The Promissory Note shall be issued by the CCAA Entities on a joint and several basis on the Plan Implementation Date and shall be held by the Monitor on behalf of all Affected Creditors having a Promissory Note Entitlement, subject to the terms and conditions thereof. Each Affected Creditor shall become entitled to its Promissory Note Entitlement on the Plan Implementation Date without any further steps or actions by the CCAA Entities, such Affected Creditor or any other Person,

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subject to any steps or actions that Affected Creditors with Disputed Claims may need to take in order for their Disputed Claim to become a Proven Claim.

- (b) In completing the distributions in accordance with Section 6.1 of this Plan, the CCAA Entities shall include a notice to each Affected Creditor having a Promissory Note Entitlement setting out such Affected Creditor's Promissory Note Entitlement and the aggregate amount of all Promissory Note Entitlements, in each case as at the Plan Implementation Date, and shall provide each such Affected Creditor with a copy of the Promissory Note.
- (c) From and after the Plan Implementation Date, and until the Promissory Note Maturity Date, the Monitor shall maintain a register of the Promissory Note Entitlement of each applicable Affected Creditor as well as the address and notice information set forth on such Affected Creditor's Termination Claim Statement or Proof of Claim. Any applicable Affected Creditor whose address or notice information changes shall be solely responsible for notifying the Monitor of such change. The Monitor shall also record on the register any Promissory Note Entitlement that a holder of a Disputed Claim would be entitled to if its Disputed Claim were a Proven Claim so that any Affected Creditor with a Disputed Claim shall become entitled to its Promissory Note Entitlement upon its Disputed Claim becoming a Proven Claim, whether in whole or in part, noting that such Promissory Note Entitlement is in respect of a Disputed Claim and therefore subject to resolution. The Monitor shall update the register as Disputed Claims are resolved to reflect the Promissory Note Entitlement in respect of a Disputed Claim becoming a Promissory Note Entitlement in respect of a Proven Claim, whether in whole or in part, or to delete the Promissory Note Entitlement in respect of a Disputed Claim and reduce the principal amount of the Promissory Note Entitlements then outstanding, or as otherwise determined by the Monitor in its sole and absolute discretion to be appropriate in the circumstances.
- (d) On the Promissory Note Maturity Date, or such earlier time as there may be a distribution of Promissory Note Proceeds in accordance with this Plan and the terms and conditions of the Promissory Note, the Monitor shall calculate and the CCAA Entities shall distribute to each Affected Creditor with a Promissory Note Entitlement in respect of a Proven Claim its Pro Rata Share of the Promissory Note Proceeds by way of cheque sent by prepaid ordinary mail, in accordance with the terms of the Promissory Note and the Plan. Where there is a distribution of Promissory Note Proceeds, any Promissory Note Proceeds that would have been distributed to an Affected Creditor with a Disputed Claim had its Disputed Claim been a Proven Claim, the CCAA Entities shall transfer any such Promissory Proceeds to the Disputed Claims Reserve.

6.3 Extinguishment of Claims

On the Plan Implementation Date, in accordance with the terms and in the sequence set forth in Section 7.2 hereof and in accordance with the provisions of the Plan and the Sanction Order, the treatment of Affected Claims and all Released Claims, in each case as set forth herein, shall be final and binding on the CCAA Entities, all Affected Creditors and any Person having a Released

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Claim (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns), and all Affected Claims and all Released Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the CCAA Entities and the Released Parties shall thereupon have no further obligation whatsoever in respect of the Affected Claims or the Released Claims; *provided that* nothing herein releases the CCAA Entities or any other Person from their obligations under the Plan, including, for greater certainty, with respect to the Promissory Note; and *provided further* that such discharge and release of the CCAA Entities shall be without prejudice to the right of a Creditor in respect of a Disputed Claim to prove such Disputed Claim in accordance with the Claims Procedure Order so that such Disputed Claim may, as applicable, become a Proven Claim entitled to receive consideration under Section 4.2 hereof.

6.4 Post-Plan Implementation – Mandatory Prepayment of the Promissory Note and Intercompany Claims from Proceeds of a Transaction

For greater certainty, the terms of the Promissory Note shall require that, for as long as the Promissory Note remains outstanding, the CCAA Entities shall be required to distribute:

- (a) one hundred percent (100%) of the Net Proceeds (as defined in the Promissory Note) of any sale by a CCAA Entity of its equity interest in any Subsidiary; and/or
- (b) one hundred percent (100%) of a CCAA Entity's share of the Net Proceeds (as defined in the Promissory Note) of any sale by any Subsidiary of all or a majority of the aggregate value of its assets

(in either case, a "**Transaction**"),

to Affected Creditors with Promissory Note Entitlements (such payments to be applied in reduction or satisfaction of the Promissory Note Entitlements and the obligations of the CCAA Entities owing under or pursuant to the Promissory Note) and to the Intercompany Creditors with Intercompany Claims (such payments to be applied in reduction or satisfaction of the Intercompany Claims) on a *pro-rata* basis (based upon the then outstanding balances of the Promissory Note Entitlements and the Intercompany Claims, as applicable), provided that where the Net Proceeds from such Transaction do not exceed \$1,000,000, the Net Proceeds do not need to be distributed to Affected Creditors and Intercompany Creditors in accordance with this Section 6.4 and instead any such Net Proceeds shall, as soon as practicable (and in any event, within thirty (30) days), be deposited by the CCAA Entities into the Creditor Distribution Pool Account.

6.5 Post-Plan Implementation – Payments Out of Investment Reserve

- (a) At or before the Plan Implementation Date, the Investment Reserve Account will be funded in accordance with Section 5.1 of the Plan. The Investment Reserve is intended to provide the CCAA Entities with a reserve to provide them with the ability to participate in future equity issuances by the Subsidiaries in order to maintain the CCAA Entities' *pro-rata* equity ownership interests in the Subsidiaries, as appropriate. A CCAA Entity, as soon as reasonably practicable upon being offered to purchase any new equity securities of a Subsidiary offered to it, shall provide notice of such offer to the Monitor and consult with the Monitor in determining whether or not to purchase any such equity securities. In the event that

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a CCAA Entity, in consultation with the Monitor, determines to purchase any equity securities of a Subsidiary, the CCAA Entity may instruct the Monitor to transfer to it funds from the Investment Reserve sufficient to enable the CCAA Entity to make such investment. Upon receipt of any such instruction from a CCAA Entity, the Monitor shall undertake the necessary steps to transfer such funds out of the Investment Reserve Account. Notwithstanding the foregoing, in the event that the Monitor, following good faith consultation with the CCAA Entities, does not agree with any request by a CCAA Entity to use the Investment Reserve to make an investment in a Subsidiary in accordance with this Section 6.5, the Monitor may refuse to transfer the funds out of the Investment Reserve Account and may apply to the Court for advice and direction as to whether it should transfer the funds from the Investment Reserve Account as requested by the CCAA Entity.

- (b) For greater certainty, no CCAA Entity shall have an obligation to purchase any equity securities of a Subsidiary offered to it, and the Monitor shall have no liability in respect of any such determination or in respect of any payment out of the Investment Reserve Account.
- (c) For greater certainty, any transfer of funds from the Investment Reserve Account by the Monitor to a CCAA Entity for the purpose of making an investment in a Subsidiary in accordance with the Plan shall be considered to be a material event for the purposes of the Monitor's reporting obligations under Section 8.1 and the Monitor shall prepare, serve and post a report that reports on such transfer and investment in accordance with Section 8.1.
- (d) Subject to further Order of the Court, any balance remaining in the Investment Reserve Account on the date that is three (3) years after the Plan Implementation Date will be distributed by the Monitor to Affected Creditors (or to the CCAA Entities for distribution to Affected Creditors) with Promissory Note Entitlements on a *pro rata* basis in the same manner as set out in Section 6.2(d) of this Plan (such payments, in either case, to be applied in reduction or satisfaction of the Promissory Note Entitlements and the obligations of the CCAA Entities owing under or pursuant to the Promissory Note).
- (e) Upon repayment in full of the Promissory Note, the Investment Reserve Account shall be closed and any funds therein at such time shall be applied in such manner as the CCAA Entities may direct the Monitor in writing.

6.6 Resolution of Disputed Claims

From and after the Initial Distribution Date, as Disputed Claims are resolved, the Monitor shall distribute to each Affected Creditor with a Disputed Claim that has become a Proven Claim in whole or in part, an amount of Cash from the Disputed Claims Reserve Account equal to the aggregate amount of all distributions such Affected Creditor would have otherwise already received pursuant to the Plan or the Promissory Note had its Disputed Claim been a Proven Claim on and as of the Initial Distribution Date, including, for greater certainty, any Promissory Note Proceeds transferred by the CCAA Entities to the Disputed Claims Reserve pursuant to Section 6.2(d) of the Plan. Any remaining balance in the Disputed Claims Reserve Account relating to

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such Affected Creditor's Disputed Claim shall be deposited into the Creditor Distribution Pool Account. Once there are no remaining Disputed Claims, the Monitor shall transfer any balance remaining in the Disputed Claims Reserve Account, including any interest thereon, to the Creditor Distribution Pool Account for distribution to Affected Creditors with Proven Claims pursuant to and in accordance with Section 6.8 of the Plan.

6.7 Treatment of Uncashed Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is not cashed and becomes stale-dated or is returned as undeliverable (an "**Uncashed Distribution**"), no further distributions to such Creditor shall be made unless and until the CCAA Entities are notified in writing by such Creditor of its current address or wire particulars (the "**Uncashed Distribution Notification**") and such Uncashed Distribution Notification is provided to the CCAA Entities prior to the Uncashed Distribution Notification Deadline. Any claim for an Uncashed Distribution must be made before the Uncashed Distribution Notification Deadline. If an Uncashed Distribution Notification is received by the CCAA Entities before the Uncashed Distribution Notification Deadline, such Uncashed Distribution shall forthwith be re-directed to the Affected Creditor in question at the address contained in the Uncashed Distribution Notification. However, if no Uncashed Distribution Notification is received by the CCAA Entities on or before the Uncashed Distribution Notification Deadline, from and after the Uncashed Distribution Notification Deadline the claim of such Affected Creditor with respect to the Uncashed Distribution shall be considered satisfied, forever discharged and forever barred, without any compensation therefor, at which time the Cash amount held by the CCAA Entities in relation to such Uncashed Distribution shall be returned to the Creditor Distribution Pool Account and shall increase the Creditor Distribution Pool. Nothing in the Plan or the Sanction Order shall require the Monitor or the CCAA Entities to attempt to locate any Affected Creditor with respect to an Uncashed Distribution.

6.8 Subsequent Distributions

Commencing on the end of the first full fiscal year of Metro 360 following the Plan Implementation Date, within thirty (30) days of the end of each such fiscal year, the CCAA Entities shall transfer any Excess Cash to the Creditor Distribution Pool Account. In the event that, at any time after the Initial Distribution Date, the Cash in the Creditor Distribution Pool Account exceeds \$1,000,000, the CCAA Entities shall, within ninety (90) days, distribute all of such Cash to Affected Creditors with Promissory Note Entitlements (such payments to be applied in reduction or satisfaction of the Promissory Note Entitlements and the obligations of the CCAA Entities owing under or pursuant to the Promissory Note) and to the Intercompany Creditors with Intercompany Claims (such payments to be applied in reduction or satisfaction of the Intercompany Claims) on a *pro-rata* basis (based upon the then outstanding balances of the Promissory Note Entitlements and the Intercompany Claims, as applicable). In the event that the CCAA Entities determine that any portion of Excess Cash that has been transferred to the Creditor Distribution Pool Account in accordance with this Section 6.8 and the Promissory Note, but not yet distributed to Affected Creditors and Intercompany Creditors, is required by the CCAA Entities in order to fund the Business following the Plan Implementation Date, the CCAA Entities shall be permitted to request permission from the Monitor to withdraw such amount from the Creditor Distribution Pool Account as reasonably required by the Business, provided that the request must be in writing and accompanied with such information as may be reasonably requested or required by the Monitor. The Monitor will determine in its sole discretion whether to approve any request

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by the CCAA Entities to withdraw Excess Cash from the Creditor Distribution Pool Account. For greater certainty, any withdrawal of Excess Cash from the Creditor Distribution Pool Account in accordance with this Section 6.8 shall be considered to be a material event for the purposes of the Monitor's reporting obligations under Section 8.1 and the Monitor shall prepare, serve and post a report that reports on such withdrawal in accordance with Section 8.1.

6.9 Final Distribution

Forthwith after the Final Distribution Date, any funds: (a) remaining in the Creditor Distribution Pool Account shall be returned to the CCAA Entities; or (b) remaining in the Investment Reserve Account shall be dealt with in accordance with Section 6.5(e), and all Promissory Note Entitlements shall be considered satisfied, forever discharged and barred.

6.10 Assignment of Claims for Voting and Distribution Purposes Prior to the Creditors' Meeting

An Affected Creditor (other than a Convenience Class Creditor) may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the CCAA Entities nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

6.11 Assignment of Claims for Distribution Purposes After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the CCAA Entities shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

6.12 Tax Matters

- (a) All distributions made by the CCAA Entities pursuant to the Plan are in respect of the repayment of principal, and any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.

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- (b) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 6.12, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a “**Withholding Obligation**”) to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. For greater certainty, no distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the CCAA Entities such documentation prescribed by Applicable Law or otherwise reasonably required by the CCAA Entities as will enable the CCAA Entities to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (d) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.
- (e) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including Cash, or make distributions, payments or disbursements, and no provision hereof, including with respect to the Investment Reserve (which shall be held by the Monitor for investment purposes in accordance with the Plan), shall be construed to have such effect.

ARTICLE 7 PLAN IMPLEMENTATION

7.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving any corporate action of the CCAA Entities will occur and be effective as of the Effective Time, and will be authorized and approved under the Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, partners, Directors or Officers of the CCAA Entities. All necessary approvals to take actions shall be deemed to have been obtained from the Directors or shareholders or partners of the CCAA Entities, as applicable.

7.2 Initial Plan Transaction Steps

The following transactions to be effected in the implementation of the Plan shall occur on the Plan Implementation Date or as soon as reasonably practicable thereafter as provided below:

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- (a) Establishment of Accounts and Reserves: The CCAA Entities and the Monitor shall establish accounts and reserves in accordance with Article 5;
- (b) Monitor's Plan Implementation Date Certificate: Following completion of the foregoing Plan Transaction Step and after receiving written notice from the CCAA Entities of the fulfilment of the Conditions Precedent to implementation of the Plan in accordance with Section 11.1, the Monitor shall deliver the Monitor's Plan Implementation Date Certificate to the CCAA Entities and serve a copy thereof on the service list established in the CCAA Proceedings;
- (c) Compromise, Satisfaction and Release: The compromises with the Affected Creditors and the release of the Released Parties referred to herein shall thereupon become effective in accordance with Article 9 of the Plan;
- (d) Distributions from the Creditor Distribution Pool: The CCAA Entities shall, as soon as reasonably practicable and in any event no later than thirty (30) days after the Plan Implementation Date, following payment of all Government Priority Claims, if any, make the initial distributions from the Creditor Distribution Pool Account in accordance with Section 6.1; and
- (e) Issuance of the Promissory Note: The CCAA Entities shall, as soon as reasonably practicable and in any event no later than thirty (30) days after the Plan Implementation Date, issue the Promissory Note such that each Affected Creditor (other than Convenience Class Creditors) with a Proven Claim shall become entitled to its Promissory Note Entitlement in accordance with Section 4.2(3)(b).

7.3 Plan Transaction Steps Subsequent to Implementation and Initial Distributions

The following transactions shall occur after the Plan Implementation Date:

- (a) Distributions and Transfers from the Disputed Claims Reserve: The CCAA Entities shall make distributions and transfers from the Disputed Claims Reserve in accordance with Section 6.6.
- (b) Transfer of Excess Cash to the Creditor Distribution Pool Account: From and after the end of the first full fiscal year of Metro 360 following the Plan Implementation Date, in the event that there is any Excess Cash, the CCAA Entities shall transfer such Excess Cash to the Creditor Distribution Pool Account in accordance with Section 6.8;
- (c) Subsequent Distributions from the Creditor Distribution Pool: Where, following the transfer of Excess Cash to the Creditor Distribution Pool Account, the Cash in the Creditor Distribution Pool Account exceeds \$1,000,000, the CCAA Entities shall distribute such Cash to Affected Creditors with Promissory Note Entitlements in accordance with the terms of the Promissory Note and Section 6.8;
- (d) Notice of Repayment of Promissory Note Entitlements: Upon the satisfaction, repayment or payment in full of the Promissory Note Entitlements, the Monitor

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shall provide written notice of same to the CCAA Entities (the “**Notice of Repayment**”); and

- (e) Monitor’s Plan Completion Certificate: Following Notice of Repayment, the Monitor shall serve the Monitor’s Plan Completion Certificate on the service list established in the CCAA Proceedings.

7.4 Issuances Free and Clear

Any issuance of any securities or other consideration pursuant to the Plan will be free and clear of any Encumbrances.

ARTICLE 8 THE MONITOR’S CONTINUING ROLE

8.1 Monitor Reporting

From and after the Plan Implementation Date and for so long as obligations under the Promissory Note remain outstanding, the Monitor and the CCAA Entities shall meet (in person or by phone or videoconference) with such frequency as the Monitor may reasonably request, and the CCAA Entities shall grant the Monitor access to all information and documentation reasonably requested by the Monitor to carry out its duties and reporting obligations set out in this Plan. In addition, the Monitor shall report at least every six (6) months after the Plan Implementation Date, or periodically in response to or as a result of the occurrence of a material event, as determined by the Monitor in its sole discretion, by preparing a report that will be served on the service list in the CCAA Proceedings and posted on the Website, which such reports shall report on, among other things:

- (a) the affairs, activities and business of the CCAA Entities and the Subsidiaries;
- (b) amounts outstanding under the Promissory Note;
- (c) the status of any Disputed Claims;
- (d) the Investment Reserve, including any amounts transferred or requests to transfer amounts therefrom;
- (e) any determination regarding Excess Cash;
- (f) the Creditor Distribution Pool, including requests to transfer Excess Cash therefrom; and
- (g) report on actual and projected expenses of the Monitor.

Any reporting by the Monitor in connection with this Section 8.1 shall not be considered an audit or review engagement (and the Monitor shall not have any responsibility for any audit or review engagement in respect of any of any of the CCAA Entities’ financial information that may be addressed in any such reporting), and the Monitor shall benefit from the protections otherwise noted herein in respect of such reporting.

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ARTICLE 9 RELEASES

9.1 Plan Releases

- (a) As at the Effective Time, the CCAA Entities, the Directors, the Officers, and the CCAA Entities' current and former employees, advisors, legal counsel and agents, (each being referred to individually as a "**CCAA Entities Released Party**", and all of them being collectively referred to as the "**CCAA Entities Released Parties**") shall be released and discharged from any and all demands, claims, actions, applications, 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 which any Creditor, Affected Creditor, Unaffected Creditor (except to the extent of its Unaffected Claim) or other Person may be entitled to assert, including any and all Claims in respect of the payment and receipt of proceeds, statutory liabilities of the Directors, Officers and employees of the CCAA Entities Released Parties and any alleged fiduciary or other duty (whether such employees are acting as a Director, Officer or employee), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, Liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, any transaction referenced in or related to the Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Procedure Order and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the CCAA Entities' obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge: (i) the CCAA Entities from or in respect of any Unaffected Claim; (ii) the CCAA Entities from or in respect of any obligation in respect of the Claims Agreement; (iii) any CCAA Entities Released Party if such CCAA Entities Released Party is judged by the expressed terms of a judgment rendered in a Final Order on the merits to have committed criminal, fraudulent or other wilful misconduct; or (iv) the Directors with respect to matters set out in Section 5.1(2) of the CCAA. For greater certainty, and notwithstanding the foregoing, no Intercompany Claim shall be released pursuant to this Section 9.1(a).
- (b) As at the Effective Time, the Monitor and its respective current and former affiliates, directors, officers and employees and all of their respective advisors, legal counsel and agents (each being referred to individually as a "**Third Party Released Party**", and all of them being collectively referred to as the "**Third Party Released Parties**") shall be released and discharged from any and all demands, claims, actions, applications, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive

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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 which any Creditor, Affected Creditor, Unaffected Creditor or other Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, Liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, any transaction referenced in or related to the Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Procedure Order and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Monitor's obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge any Third Party Released Party if such Third Party Released Party is judged by the expressed terms of a judgment rendered in a Final Order on the merits to have committed criminal, fraudulent or other wilful misconduct.

- (c) As at the Effective Time, the Intercompany Creditors and their respective current and former affiliates (excluding the CCAA Entities), and their respective current and former members, shareholders, directors, officers and employees, advisors, legal counsel and agents (each being referred to individually as an “**Intercompany Released Party**”, and all of them being collectively referred to as the “**Intercompany Released Parties**”) shall be released and discharged from any and all demands, claims, actions, applications, 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 which any Creditor, Affected Creditor, Unaffected Creditor (except to the extent of its Unaffected Claim) or other Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, any transaction referenced in or related to the Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Procedure Order and all claims arising out of such actions or omissions shall be forever waived and released, all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge any Intercompany Released Party if such Intercompany Released Party is judged by the expressed terms of a judgment rendered in a Final Order on the merits to have committed criminal, fraudulent or other wilful misconduct.

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9.2 Injunctions

All Persons are permanently and forever barred, estopped, stayed and enjoined, from and after the Effective Time, with respect to any and all Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any actions, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property; (iii) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (iv) taking any actions to interfere with the implementation or consummation of the Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan.

ARTICLE 10 COURT SANCTION

10.1 Application for a Sanction Order

If the Plan is approved by the Required Majority of the Affected Creditors at the Creditor Meeting, the CCAA Entities shall apply for the Sanction Order on or before the date set for the Sanction Order hearing or such later date as the Court may set.

10.2 Sanction Order

The CCAA Entities will apply for a Sanction Order that, among other things:

- (a) declares that the Plan and the Plan Transaction Steps contemplated thereby are fair and reasonable;
- (b) declares that, as of the Effective Time, the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved pursuant to Section 6 of the CCAA, binding and effective as set out in the Plan upon and with respect to the CCAA Entities, all Affected Creditors, the Released Parties, all Persons with Released Claims and all other Persons named or referred to in or subject to the Plan;
- (c) declares that the steps to be taken and the compromises and releases to be effective on the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated by Section 7.2 hereof on the Plan Implementation Date, beginning at the Effective Time;
- (d) declares that the releases effected by this Plan shall be approved and declared to be binding and effective as of the Effective Time upon all Affected Creditors, all Persons with Released Claims and all other Persons named or referred to in or subject to Plan, and shall enure to the benefit of such Persons;
- (e) declares that, subject to performance by the CCAA Entities of their obligations under the Plan and except as provided in the Plan, all obligations, agreements or

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leases to which any CCAA Entity is a party on the Plan Implementation Date shall be and remain in full force and effect, unamended, as at the Plan Implementation Date and no party to any such obligation or agreement shall on or following the Plan Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:

- (i) of any event which occurred prior to, and not continuing after, the Plan Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled such party to enforce those rights or remedies;
- (ii) that the CCAA Entities have sought or obtained relief or have taken steps as part of the Plan or under the BIA or the CCAA;
- (iii) of any default or event of default arising as a result of the financial condition or insolvency of any of the CCAA Entities;
- (iv) of the effect upon the CCAA Entities of the completion of any of the transactions contemplated by the Plan; or
- (v) of any compromises, settlements, restructurings, recapitalizations or reorganizations effected pursuant to the Plan,

and declares that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any non-competition agreement or obligation, provided that such agreement shall terminate or expire in accordance with the terms thereof or as otherwise agreed by any of the CCAA Entities and the applicable Persons;

- (f) approves the Investment Reserve amount;
- (g) authorizes the Monitor to perform its functions and fulfill its obligations under or pursuant to the Plan to facilitate the implementation of the Plan;
- (h) declares that, upon the filing of the Monitor's Plan Implementation Date Certificate, the CCAA Entities shall no longer be subject to the CCAA Proceedings, the CCAA Charges (other than the Proposal Administration Charge) shall be terminated, discharged and released, and each of the CCAA Entities shall be released from the purview of any Order of the Court granted in the CCAA Proceedings, provided that:
 - (i) the Proposal Administration Charge shall survive the Plan Implementation Date and the filing of the Monitor's Plan Implementation Date Certificate and remain attached to the Property in order to secure the reasonable fees and disbursements of the Monitor and its counsel incurred in carrying out its obligations pursuant to the Plan and the Sanction Order;

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- (ii) the Monitor shall be authorized to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan and matters relating to the Promissory Note and distributions thereunder following implementation of the filing of the Monitor's Plan Implementation Date Certificate and the termination of the CCAA Proceedings, and in carrying out the terms of the Plan and the Sanction Order, (A) the Monitor shall benefit from all the protections given to it by the CCAA, the Initial Order, any other Order of the Court granted in the CCAA Proceedings, and as an officer of the Court, including the stay of proceedings in its favour, and (B) the Monitor shall incur no liability or obligations as a result of carrying out the provisions of the Plan and the Sanction Order, including with respect to the Promissory Note; and
- (i) declares that, upon the filing of the Monitor's Plan Completion Certificate, the CCAA Proceedings shall be terminated, the Monitor shall be fully discharged from any and all further obligations or duties in connection with the CCAA Entities or the Plan, and the Proposal Administration Charge shall be terminated, discharged and released.

ARTICLE 11 CONDITIONS PRECEDENT AND IMPLEMENTATION

11.1 Conditions Precedent to Implementation of the Plan

The implementation of the Plan shall be conditional upon the fulfilment of the following Conditions Precedent by the date specified therefor:

- (a) the Creditors' Meeting to consider and vote on the Plan shall have been convened by the date set by the Meeting Order or such later date as shall be acceptable to the CCAA Entities in consultation with the Monitor;
- (b) the Plan shall have been approved by the Required Majority of the Affected Creditors forming the Unsecured Creditors' Class at the Creditors' Meeting;
- (c) the Sanction Order shall have been granted by the Court; and
- (d) unless otherwise agreed to by the CCAA Entities and the Monitor, the Sanction Order shall have become a Final Order.

Upon satisfaction or waiver of the foregoing Conditions Precedent, the CCAA Entities shall provide to the Monitor written notice confirming same.

11.2 Monitor's Certificates

Upon receipt by the Monitor of written notice from the CCAA Entities of the satisfaction or waiver of the Conditions Precedent set out in Section 11.1 of the Plan, the Monitor shall forthwith deliver the Monitor's Plan Implementation Date Certificate to the CCAA Entities and serve a copy thereof on the service list established in the CCAA Proceedings. As soon as practicable following the

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Plan Implementation Date, the Monitor shall file a copy of the Monitor's Plan Implementation Date Certificate with the Court and post a copy of same on the Website.

Upon delivery of the Notice of Repayment, the Monitor shall forthwith serve the Monitor's Plan Completion Certificate confirming the repayment in full of the Promissory Note and the termination of the CCAA Proceedings on the service list established in the CCAA Proceedings, file a copy of the Monitor's Plan Completion Certificate with the Court and post a copy of same on the Website.

For greater certainty, upon the filing of the Monitor's Plan Implementation Date Certificate, the Plan shall be deemed to be fully implemented and the CCAA Entities, subject to the Plan and the Sanction Order, shall no longer be subject to the CCAA Proceedings and shall be released from the purview of the CCAA Proceedings on the terms stated herein and in the Sanction Order. Notwithstanding anything to the contrary contained in this Plan, the Monitor shall continue to benefit from the protections of the CCAA and all Orders of the Court granted in the CCAA Proceedings and shall not be discharged from its duties as Monitor (subject to Section 12.10) until the filing of the Monitor's Plan Completion Certificate.

ARTICLE 12 GENERAL

12.1 Binding Effect

On the Plan Implementation Date:

- (a) the Plan will become effective at the Effective Time and the Plan Transaction Steps will be implemented;
- (b) the treatment of Affected Claims and Released Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the CCAA Entities, all Affected Creditors, any Person having a Released Claim and all other Persons directly or indirectly named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) all Affected Claims shall be forever discharged and released;
- (d) all Released Claims shall be forever discharged and released;
- (e) each Affected Creditor, each Person holding a Released Claim and all other Persons directly or indirectly named or referred to in or subject to the Plan of shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety; and
- (f) each Affected Creditor, each Person holding a Released Claim and all other Persons directly or indirectly named or referred to in or subject to the Plan shall be deemed to have executed and delivered to the CCAA Entities and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

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12.2 Claims Bar Date

Nothing in this Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

12.3 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

12.4 Interest and Fees

Interest shall not accrue or be paid on Affected Claims after the Filing Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Filing Date and any Claims in respect of interest accruing or fees and expenses incurred on or after the Filing Date shall be deemed to be forever extinguished and released.

12.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the CCAA Entities then existing or previously committed by any of the CCAA Entities, or caused by any of the CCAA Entities, by any of the provisions in the Plan or steps or transactions contemplated in the Plan, or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and any of the CCAA Entities, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the CCAA Entities from performing their obligations under the Plan or be a waiver of defaults by any of the CCAA Entities under the Plan and the related documents.

12.6 Non-Consummation

The CCAA Entities reserve the right to revoke or withdraw the Plan at any time prior to the Plan Implementation Date. If the CCAA Entities revoke or withdraw the Plan, or if the Sanction Order is not issued or if the Plan Implementation Date does not occur, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against any of the CCAA Entities or any other Person, (ii) prejudice in any manner the rights of the CCAA Entities or any other Person in any further proceedings involving any of the CCAA Entities, or (iii) constitute an admission of any sort by any of the CCAA Entities or any other Person. Nothing in this section abrogates, derogates from or otherwise affects the terms of the Claims Agreement.

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12.7 Modification of the Plan

- (a) The CCAA Entities reserve the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan with the consent of the Monitor, provided that:
- (i) it concerns a matter which is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction Order, or
 - (ii) it cures any errors, omissions or ambiguities,
- and in either case of foregoing clause (i) and (ii), is not materially adverse to the financial or economic interests of the Affected Creditors; and
- (b) Any amendment, restatement, modification or supplement to the Plan other than those provided for in Section 12.7(a) must be approved by the Court, following advance notice to the Affected Creditors and the service list established in the CCAA Proceedings.

12.8 Paramourncy

From and after the Effective Time on the Plan Implementation Date, any conflict between:

- (a) the Plan or any Order in the CCAA Proceedings; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the CCAA Entities as at the Plan Implementation Date or the notice of articles, articles or bylaws of the CCAA Entities at the Plan Implementation Date;

will be deemed to be governed by the terms, conditions and provisions of the Plan and the applicable Order, which shall take precedence and priority, provided that the Claims Agreement shall be read and interpreted in a manner that assumes that the Claims Agreement was intended to operate congruously with, and not in conflict with, the Plan.

12.9 The Monitor

KSV is acting in its capacity as Monitor in the CCAA Proceedings with respect to the CCAA Entities, the CCAA Proceedings and this Plan (and not in its personal or corporate capacity). The Monitor will not be responsible or liable for any obligations of the CCAA Entities under the Plan or otherwise, and for greater certainty, shall not have any responsibility for any audit or review engagement in respect of any of the CCAA Entities' financial information. The Monitor will have the powers and protections granted to it by the Plan, the CCAA and any Order made in the CCAA Proceedings. KSV will incur no personal liability whatsoever whether on its own part or in respect of any failure on the part of any CCAA Entity to observe, perform or comply with any of their obligations under the Plan. Any release, discharge or other benefit conferred upon the Monitor

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pursuant to the Plan will enure to the benefit of KSV. The Monitor in its personal capacity will be a third party beneficiary to the Plan entitled to enforce such releases, discharges and benefits in accordance with the terms of the Plan.

12.10 Passing of Accounts of the Monitor

From and after the Plan Implementation Date, the Monitor and its counsel shall no longer be required to pass their accounts pursuant to the CCAA and the Initial Order, subject to such matters being confirmed in the Sanction Order, and the Affected Creditors hereby consent to the fees and expenses of the Monitor and its counsel subject to the waiver of the requirement to pass accounts being granted under the Sanction Order.

12.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided to the contrary herein, a Person will be 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 CCAA Entities and the Person in writing or unless its Claims overlap or are otherwise duplicative.

12.12 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail, fax or email addressed to the respective parties as follows:

- (a) If to the CCAA Entities:

Metro 360 General Partnership
120 Sinnott Rd.
Toronto, Ontario M1L 4N1

Attention: Daniel P. Shapiro
Email: danny@metro360.ca

with a copy to:

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

Attention: L. Joseph Latham and Andrew Harmes
Email: jlatham@goodmans.ca and aharmes@goodmans.ca

- (b) If to the Monitor:

KSV Restructuring Inc., Court-Appointed Monitor of 957855 Alberta Ltd. (formerly NewsWest Inc.) and Rosebud Creek Financial Corp., in respect of Metro

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360 General Partnership
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

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

with a copy to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, ON M5X 1A4

Attention: Sean Zweig and Danish Afroz
Email: zweigs@bennettjones.com and afrozd@bennettjones.com

- (c) If to an Affected Creditor, to the mailing address, fax number or email address provided on such Affected Creditor's Termination Claim Statement or Proof of Claim,

or to such other address as any party may from time to time notify the others in accordance with this Section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of sending by means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

12.13 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

**SCHEDULE A
FORM OF PROMISSORY NOTE**

See Attached

PROMISSORY NOTE

ISSUED BY: 957855 Alberta Ltd., Rosebud Creek Financial Corp. and Metro 360 General Partnership

ISSUED TO: KSV Restructuring Inc., in its capacity as Court-appointed monitor of 957855 Alberta Ltd., Rosebud Creek Financial Corp. and Metro 360 General Partnership, in trust in favour of Affected Creditors having Promissory Note Entitlements

ISSUE DATE: ●, 2021

FOR VALUE RECEIVED AND OTHER GOOD AND SUFFICIENT CONSIDERATION, 957855 Alberta Ltd., Rosebud Creek Financial Corp. and Metro 360 General Partnership (the “**CCAA Entities**”), hereby jointly and severally acknowledge themselves indebted to, and promise and bind themselves to pay to or to the order of, Affected Creditors or their permitted assigns, their Promissory Note Entitlement, as evidenced from time to time on the grid schedule attached hereto as Schedule A and forming part of this Promissory Note (the “**Grid**”), as provided by the terms of this Promissory Note.

ARTICLE I DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the plan of compromise and arrangement pursuant to the *Companies’ Creditors Arrangement Act* concerning, affecting and involving the CCAA Entities dated as of ●, 2021, which is attached hereto as Schedule B (the “**Plan**”).

1.2 Other Defined Terms

As used in this Promissory Note, the following terms have the meanings specified below:

- (a) “**CCAA Entities**” has the meaning given to it in the first paragraph hereto.
- (b) “**Fiscal Year**” means each twelve (12) month period commencing on January 1 and ending on December 31 during each year of the term of the Promissory Note.
- (c) “**Grid**” has the meaning given to it in in the first paragraph hereto.
- (d) “**Lien**” means any mortgage, lien (statutory or otherwise), pledge, charge, security interest or encumbrance upon or with respect to any property of any kind, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement.
- (e) “**Maturity Date**” means the date which is five years from the Plan Implementation Date, provided that such date may be extended by the CCAA

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Entities, with the consent of the Monitor, for up to two additional five year periods.

- (f) **“Monitor”** means KSV Restructuring Inc., the Court-appointed monitor of the CCAA Entities in the CCAA Proceedings.
- (g) **“Net Proceeds”** means, in connection with any Transaction, the proceeds thereof in the form of cash and readily marketable cash equivalents, including payments in respect of deferred payment obligations when received in the form of cash or cash equivalents, or shares or other assets when disposed of for cash or cash equivalents, received by the any CCAA Entity from such Transaction, net of: (A) reasonable legal fees, accountants’ fees and investment banking fees; (B) amounts required to be applied to the repayment of indebtedness secured by a Lien on any property or asset which is the subject of such Transaction; (C) other reasonable customary fees and expenses actually incurred in connection with such Transaction; (D) the amount of any reasonable reserve established in accordance with GAAP against any liabilities (other than Taxes deducted pursuant to clause (E) below), (x) associated with the property or assets that are the subject of such Transaction, and (y) retained by the seller, *provided that* the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Proceeds of such Transaction received on the date of such a reduction; (F) Taxes paid or reasonably estimated to be payable as a result thereof; and (G) any such amounts as may be required by the CCAA Entities to fund their ongoing operations, as may be determined by the CCAA Entities with the consent of the Monitor, acting reasonably.
- (h) **“Plan”** has the meaning given to it in Section 1.1.
- (i) **“Promissory Note”** means this Promissory Note, including its recitals and schedules, as amended from time to time.
- (j) **“Transaction”** means:
 - (i) any sale, lease, conveyance or other disposition by any of the CCAA Entities of their equity interest in any Subsidiary; and
 - (ii) any sale, lease, conveyance or other disposition by any Subsidiary of all or a majority of the aggregate value of its assets.

1.3 Interpretation

- (a) **Business Day.** If any payment or calculation is to be made, or any other action is to be taken, on or as of a day which is not a Business Day, that payment or calculation is to be made, and that other action is to be taken, as applicable, on or as of the next day that is a Business Day.
- (b) **Time.** Time shall be of the essence in all provisions of this Promissory Note.

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- (c) **Headings.** The division of this Promissory Note into sections and the insertion of headings are for convenience of reference only and are not to affect the construction or interpretation of this Promissory Note.
- (d) **References.** Unless otherwise specified, references in this Promissory Note to Sections are to sections of this Promissory Note. The terms “this Promissory Note”, “hereof”, “hereunder” and similar expressions refer to this Promissory Note and not to any particular section hereof.
- (e) **Severability.** If any provision of this Promissory Note is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect: (i) the legality, validity or enforceability of the remaining provisions of this Promissory Note; or (ii) the legality, validity or enforceability of that provision in any other jurisdiction.
- (f) **Currency.** All references to currency are to Canadian dollars.

ARTICLE II TERM AND REPAYMENT

2.1 Repayment

The amount of this Promissory Note shall be due and payable on the Maturity Date.

2.2 Interest

This Promissory Note shall be non-interest bearing.

2.3 Voluntary Prepayment

Notwithstanding the foregoing, the CCAA Entities shall have the right, but not the obligation, to repay the whole or any part of the amount outstanding under this Promissory Note, without notice, bonus or penalty.

2.4 Mandatory Prepayment from Proceeds of a Transaction

- (1) In the event of a Transaction, the CCAA Entities shall, within thirty (30) days of such Transaction, distribute 100% (one hundred percent) of any Net Proceeds received by a CCAA Entity in connection with such Transaction on a *pro-rata* basis to:
 - (a) Affected Creditors with Promissory Note Entitlements, and
 - (b) Intercompany Creditors with Intercompany Claims,

provided that:

- (c) the prepayment requirement of this Section 2.4(1) shall not apply to any Transaction the Net Proceeds of which are less than \$1,000,000, in which case any such Net Proceeds shall, as soon as practicable (and in any event, within

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thirty (30) days), be deposited by the CCAA Entities into the Creditor Distribution Pool Account.

- (2) Prepayments to Affected Creditors pursuant to Section 2.4(1)(a) shall be applied to the repayment of the obligations of the CCAA Entities owing under this Promissory Note, and prepayments to Intercompany Creditors pursuant to Section 2.4(1)(b) shall be applied to the repayment of the Intercompany Claims.

2.5 Mandatory Prepayment from Excess Cash

- (1) In the event that the Cash in the Creditor Distribution Pool Account exceeds \$1,000,000, the CCAA Entities shall, within ninety (90) days of such date, distribute such Cash on a *pro-rata* basis to:
- (a) Affected Creditors with Promissory Note Entitlements, and
 - (b) Intercompany Creditors with Intercompany Claims.
- (2) Prepayments to Affected Creditors pursuant to Section 2.5(1)(a) shall be applied to the repayment of the obligations of the CCAA Entities owing under this Promissory Note, and prepayments to Intercompany Creditors pursuant to Section 2.5(1)(b) shall be applied to the repayment of the Intercompany Claims.

2.6 Covenants of the CCAA Entities

So long as any indebtedness of the CCAA Entities under this Promissory Note is outstanding, the CCAA Entities shall duly and punctually pay all amounts payable by them hereunder on the Maturity Date, otherwise comply with the provisions of this Promissory Note, and maintain their corporate existence.

ARTICLE III GENERAL

3.1 Recorded Amounts

- (1) The CCAA Entities hereby irrevocably appoint the Monitor, as their duly authorized agent to record on the Grid:
- (a) the Affected Creditors as of the date hereof;
 - (b) each Affected Creditor's Promissory Note Entitlement as of the date hereof;
 - (c) all payments made by the CCAA Entities on account of the amounts outstanding from time to time under this Promissory Note, and to adjust the balance of amounts owing under this Promissory Note by the CCAA Entities to Affected Creditors from time to time; and

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- (d) each transfer, assignment or other disposition by an Affected Creditor of their Promissory Note Entitlement, in whole or in part, and the transferee or assignee of such Promissory Note Entitlement.
- (2) The amounts outstanding and the holder thereof from time to time under this Promissory Note as evidenced on the Grid shall, in the absence of manifest error, be conclusive and binding on the CCAA Entities, *provided that* notwithstanding the state of the Grid, the failure of the Monitor to record any amounts owing hereunder or any transfer, assignment or other disposition by an Affected Creditor of their Promissory Note Entitlement on the Grid shall not affect the obligation of the CCAA Entities to pay Affected Creditors the amounts due and payable by the CCAA Entities hereunder.

3.2 Entire Agreement

This Promissory Note constitutes the entire agreement between the parties with respect to its subject matter and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties in such connection, other than the Plan. There are no representations, warranties, conditions or other agreements, express or implied, statutory or otherwise, between the parties in connection with the subject-matter of this Promissory Note except as specifically set out in this Promissory Note.

3.3 Transferability

- (1) Affected Creditors, subject only to the notice requirement contained in Section 3.3(2), may from time to time sell, transfer, assign, grant a participation or security interest in or otherwise dispose of any part or all of its interests in this Promissory Note, and/or all or part of any indebtedness of the CCAA Entities owing to it hereunder, to any other person or entity.
- (2) In the event of such a sale, transfer, assignment, grant of a participation or security interest in or other disposition of this Promissory Note or any interest or part thereof to any other person or entity in accordance with Section 3.3(1), the transferring Affected Creditor shall provide written notice to the Monitor and the CCAA Entities promptly upon completion of such transaction, and the Monitor shall update the Grid accordingly.
- (3) The CCAA Entities may not, directly or indirectly, in any manner assign, transfer or otherwise dispose of their obligations, interests, covenants or liabilities under this Promissory Note without the prior written consent of the Monitor, which may be unreasonably withheld and/or delayed in the sole and absolute discretion of the Monitor.

3.4 Successors and Assigns

This Promissory Note shall be binding upon the successors and permitted assigns of the CCAA Entities and shall enure to the benefit of, and be enforceable by, Affected Creditors and their successors and permitted assigns. Whenever used herein, the term “CCAA Entities” shall be deemed to include their successors and permitted assigns and the term “Affected Creditor” shall be deemed to include its successors and permitted assigns.

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3.5 Governing Law

This Promissory Note shall be governed by, and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein. Both the CCAA Entities and the Affected Creditors hereby irrevocably attorn and submit to the non-exclusive jurisdiction of the courts of Ontario with respect to any matter arising under or related to this Promissory Note.

3.6 Counterparts

This Promissory Note may be executed in original, or by facsimile or electronic transmission, and in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be deemed to be effective as of the date of issue set forth above. Delivery of an executed counterpart of a signature page of this Promissory Note by e-mail (such as “pdf” form) shall be effective as delivery of a manually executed counterpart of this Note. Notwithstanding the date of execution or transmission of any counterpart, each counterpart shall be deemed to have the effective date first written above.

3.7 Amendments

None of the terms or provisions of this Promissory Note may be amended, modified, supplemented, terminated or waived, except by an instrument in writing signed by the CCAA Entities and the Monitor.

[The remainder of this page intentionally left blank; Signature page follows.]

IN WITNESS WHEREOF the CCAA Entities have executed this Promissory Note as of the date indicated on the first page of this Promissory Note.

METRO 360 GENERAL PARTNERSHIP by its
general partner 957855 Alberta Ltd.

Per: _____
Name:
Title:

957855 ALBERTA LTD.

Per: _____
Name:
Title:

ROSEBUD CREEK FINANCIAL CORP.

Per: _____
Name:
Title:

KSV Restructuring Inc., in its capacity as the Monitor in the CCAA Proceedings, hereby acknowledges the CCAA Entities entering into and performing any of their obligations under this Promissory Note.

KSV RESTRUCTURING INC., in its capacity as the Monitor of the CCAA Entities, and not in its personal or corporate capacity

Per: _____

Name:

Title:

SCHEDULE A

GRID

[Attached]

SCHEDULE B
PLAN OF COMPROMISE AND ARRANGEMENT
[Attached]

7159425

**SCHEDULE B
CRA CLAIMS**

The CRA Claims shall be deemed to be comprised of the following:

- (a) a Voting Claim against Metro 360 in the amount of \$302,542;
- (b) an allowed provisional Claim against Metro 360 in the amount of \$3,159,236.53 (the “**Section 296 Claim**”) in respect of the tax assessed against Metro 360 for its February to April and June 17, 2020 reporting period pursuant to Subsection 296(1)(b) of the ETA (the “**Section 296(1)(b) Assessments**”);
- (c) a Voting Claim against Rosebud HoldCo in the amount of \$373,901.35; and
- (d) a Voting Claim against Alberta HoldCo in the amount of \$131,875.20 (collectively, the “**CRA Claims**”).

B

THIS IS EXHIBIT "B"
TO THE AFFIDAVIT OF DANIEL P. SHAPIRO
SWORN BEFORE ME OVER VIDEOCONFERENCE
THIS 10th DAY OF NOVEMBER, 2021



Commissioner for Taking Affidavits

Estate / Court File No.: 31-2636843

Estate / Court File No.: 31-2636818

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

**IN THE MATTER OF THE NOTICES OF INTENTION TO
MAKE A PROPOSAL OF 957855 ALBERTA LTD.
(FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK
FINANCIAL CORP. IN RESPECT OF METRO 360
GENERAL PARTNERSHIP**

AFFIDAVIT OF DANIEL P. SHAPIRO
(sworn April 6, 2020)

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ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
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**IN THE MATTER OF THE NOTICES OF INTENTION TO
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(FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK
FINANCIAL CORP. IN RESPECT OF METRO 360
GENERAL PARTNERSHIP**

AFFIDAVIT OF DANIEL P. SHAPIRO
(sworn April 6, 2020)

I, Daniel P. Shapiro, of the City of Toronto, in the Province of Ontario, **MAKE OATH
AND SAY:**

I. INTRODUCTION

1. I am the President of 957855 Alberta Ltd. (formerly NewsWest Inc.) (“**Alberta HoldCo**”) and the President of Rosebud Creek Financial Corp. (“**Rosebud HoldCo**” and together, with the Alberta HoldCo, the “**Partners**”). The Partners are holding companies which together hold 100% of the interests of Metro 360 General Partnership (“**Metro 360**” or the “**Partnership**”), a multi-faceted marketer of information and entertainment products, including magazines, books, newspapers, audio and visual media, and consumer packaged goods. Accordingly, I have personal knowledge of the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such

cases, believe it to be true. Neither the Partners nor the Partnership waive or intend to waive any applicable privilege by any statement herein.

2. Earlier today, on April 6, 2020, the Partners filed notices of an intention to make a proposal (each, an “**NOI**” and together, the “**NOIs**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). KSV Kofman Inc. is named as the proposal trustee under the NOIs (“**KSV**” or the “**Proposal Trustee**”).

3. As further described below, the Partners filed the NOIs in response to significant financial challenges which Metro 360 began to face many years ago but have accelerated in light of recent global developments, including the COVID-19 pandemic and, in particular, to implement a sale transaction in respect of Metro 360’s magazine and book wholesale distribution business (the “**Literature Business**”). Book sales have declined generally and significantly during the pandemic; and magazine sales have been declining generally and have now experienced immediate and exponential sales declines as retailers have either been forced to temporarily close or in some cases have elected not to receive or display magazines. In addition, many of Metro 360’s store-level employees have elected not to work during the COVID-19 pandemic and, as a result, the magazine and book products are not being displayed at many of Metro 360’s larger retail accounts. Metro 360’s supply and distribution lines have been brought to a complete standstill, leading to most significant suppliers having already terminated key contracts with Metro 360 or simply refusing to ship new product.

4. These events have collectively and significantly exacerbated certain existing business and financial challenges related to the broader industry in which Metro 360 and the Literature Business operate, and caused a significant erosion of value to the Literature Business to the point

where this portion of Metro 360's business is days from being completely discontinued. It is critical that Metro 360 and the Partners take immediate action to preserve the value that remains in the Literature Business and protect hundreds of jobs through the closing of the proposed sale transaction discussed below.

5. While Metro 360 has undertaken efforts to address these unprecedented challenges, including investing significant capital into the business in the months leading up to the COVID-19 pandemic, the Literature Business has reached a critical point in these circumstances. The unexpected market shut-down has left the Literature Business in significant arrears to its supplier base, with approximately \$65 million in current liabilities owed to unsecured creditors. Needing an urgent solution to stabilize the Literature Business, the Partnership began exploring potential options for an expedited sale of the Literature Business.

6. Fortunately, these sale efforts have culminated in a sale agreement that, subject to the approval of this Court and satisfaction of the other closing conditions, will see Great Pacific Enterprises Inc. dba TNG ("**TNG**" or the "**Purchaser**") acquire, among other things: (i) all customer and title records of Metro 360; (ii) any and all magazine racks at Metro 360 customer locations; and (iii) the goodwill of Metro 360 in respect of its Canadian customers (the "**Transaction**"). In addition to these assets, the Purchaser will make offers of employment to almost 300 of Metro 360's employees and assume certain key customer contracts, for the significant direct benefit of those employees and contract-counterparties of Metro 360, all as more fully discussed below.

7. The Transaction is an important step for the Partnership and its stakeholders in the circumstances. As further discussed below, I understand that the Paperback and Periodical

Distributors Act (as defined and discussed below) makes Canadian ownership a condition for the registration of any businesses engaged in the distribution of paperback and periodical publications, effectively limiting the market of prospective purchasers for the Literature Business to only TNG, which is a Canadian operation. The only businesses in this industry in Canada are TNG and Metro 360. Based on such ownership restrictions and overall timing and market conditions, the Partnership and the Partners decided, in consultation with KSV, that an extensive sales process is not practical or appropriate in the circumstances, and elected to focus solely on approaching TNG to develop a potential sale transaction in respect of the Literature Business in real time.

8. Despite the limited market, the Partnership believes that the Transaction represents the only available transaction in the unique circumstances of this market. The Transaction provides value for the Literature Business and will see the Literature Business continue on a going concern basis for the benefit of customers, suppliers, and close to 300 employees. The Partnership, with the assistance of its professional advisors and KSV, has determined that the sale of the Literature Business pursuant to the Transaction, in conjunction with the collection of accounts receivable and the return of unsold inventory at retail locations, combined with the continuation of the Partnership's other business operations, represents the best available alternative in the circumstances and will allow the Partnership to work towards presenting a restructuring plan to Metro 360's creditors at a later time that will maximize value and recoveries to them. As a result, the Partners are seeking approval to proceed with the Transaction at this time, with the full support of KSV, as the Proposal Trustee.

9. While the purchase price being paid for the limited set of assets being sold under the Transaction (which are, essentially, customer lists, certain equipment and goodwill) is not overly

significant in the larger context of Metro 360's liabilities, the Transaction presents a series of other valuable benefits beyond just the purchase price:

- (a) the Transaction does maximize value for the purchased assets, such as they are;
- (b) the Transaction offers employment to a significant number of employees;
- (c) the Transaction involves the assumption of certain key customer contracts by the Purchaser, which is the largest player in Canada in this market, for the direct benefit of those contract-counterparties;
- (d) the Transaction represents the only reasonable opportunity for Metro 360 to access unsold or dated products, which represent a significant amount of refundable inventory (in the approximate amount of \$37 million), as TNG has agreed under the Transaction to retrieve all unsold inventory from retail accounts serviced by Metro 360 and process such returns for Metro 360's account. If successful, the retrieval and return of Metro 360's unsold inventory through TNG will significantly reduce the amount of supplier claims that will exist against the Metro 360 estate as this product is returnable for full credit;
- (e) the Transaction will improve Metro 360's ability to collect a significant amount of receivables that are owed to it (in the approximate amount of \$13 million), as the continuation of product flow to Metro 360's historic customers from TNG and the retrieval by TNG of Metro 360's unsold inventory will help Metro 360 to settle its customer accounts and reduce the risk that customers will assert set-off claims resulting from a disruption in supply; and

- (f) with the benefit of time, the Transaction will give Metro 360 a continuing ability to raise and realize value for its creditors through the above activities, the continuation of Metro 360's other business interests and the disposition of other assets of Metro 360 at the appropriate time, all keeping in mind the timing considerations that may exist and are likely material in light of the COVID-19 pandemic and related market disruption.

10. All of these benefits taken together establish, in my view, that the Transaction maximizes value for the assets being sold, and realizes several other material benefits referenced above that will serve to continue employment, significantly reduce creditor claims against Metro 360, and maximize Metro 360's ability to realize effectively on refunds and collections. Taken together, these benefits are material and significant to Metro 360 and its creditors and enhance the long-term viability of Metro 360, which will also allow it to formulate a restructuring plan for the benefit of its creditors.

11. In addition to seeking approval of the Transaction, the Partners are also seeking an Order, among other things: (i) administratively consolidating the proceedings related to the Partners' NOIs since the filing of such NOIs relate to Metro 360 and its business operations; (ii) approving a first priority administration charge in the aggregate amount of \$300,000; (iii) extending the stay of proceedings and other basic BIA protections resulting from the NOIs to Metro 360; (iv) approving the granting of an extension of the time to file a proposal and the corresponding stay of proceedings; and (v) authorizing Metro 360 and/or the Partners to complete the sale of redundant or non-material assets without further order of this Court for proceeds not exceeding \$200,000 in any one transaction or \$400,000 in the aggregate, in each case with the prior

approval of the Proposal Trustee. This affidavit is sworn in support of the Partners' motion seeking the foregoing relief.

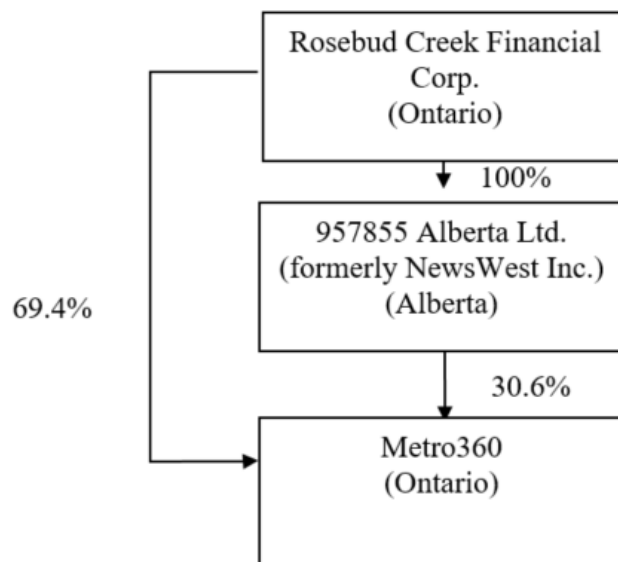
II. METRO 360

A. Overview of Corporate Structure

12. A corporate chart showing the organizational structure of the Partnership (and its other interests) is attached as Exhibit "A" to this affidavit.

(i) Metro 360

13. Metro 360 is a general partnership established under the laws of Ontario. As shown below, its partners are Alberta HoldCo and Rosebud HoldCo.



14. Metro 360 is the entity through which the Literature Business is operated, and including its predecessor entities, is approximately 100 years old. Metro 360 represents the consolidation of at least fourteen predecessor companies with roots in Alberta, Saskatchewan, Manitoba,

Ontario and Quebec. The consolidation of Metro 360 and its predecessor entities over the years was driven by significant contraction in the paperback and periodical print and distribution industry, largely due to the emergence of the internet and social media platforms. Density, sales volumes and cost reductions through consolidation were required for wholesalers and distributors to remain viable. Today, there are only two magazine and book wholesalers in Canada of any substance, being Metro 360 and the Purchaser.

15. As discussed further below, Metro 360 is also a wholesale distributor of various food brands, music (both compact discs and vinyl records), consumer electronic accessories and a line of “As Seen on TV” items, and provides various merchandising services to third parties. All of these other businesses of Metro 360 are in addition to the Literature Business. Further details concerning these other business operations of Metro 360 are provided below.

16. Metro 360’s principal liabilities consist of the trade liabilities related to the Literature Business and its other business operations. Metro 360 is also the borrower under a credit agreement dated as of October 17, 2012 between Metro 360, as borrower, and the Toronto Dominion Bank (“**TD**”), as lender (the “**Credit Agreement**”), pursuant to which TD has made available to Metro 360 a revolving credit facility in the aggregate amount of \$4 million. However, Metro 360 has not currently drawn any amounts under the Credit Agreement, and as such, it does not have any secured debt obligations outstanding. Notice of this motion was given to TD in any event.

(ii) *Alberta HoldCo*

17. Alberta HoldCo is a company incorporated under laws of Alberta. The registered office of Alberta HoldCo is in Calgary and its physical address is located in Scarborough, Ontario.

18. Alberta HoldCo is a holding company and owns a 30.6% interest in Metro 360.

19. Alberta HoldCo does not conduct any active business in the ordinary course other than acting as a partner of Metro 360, and, as a pure holding company with only an interest in Metro 360, does not have any cash, third-party creditors or other interests or investments.

(iii) Rosebud HoldCo

20. Rosebud HoldCo is a company amalgamated pursuant to the laws of Ontario. The registered office and physical address of Rosebud HoldCo are both located in Scarborough, Ontario.

21. Rosebud HoldCo is a holding company and owns a 69.4% interest in Metro 360, with the other 30.6% interest in Metro 360 being held by Alberta HoldCo. Rosebud HoldCo also holds a number of illiquid investments in other businesses.

22. Rosebud HoldCo does not conduct any active business in the ordinary course other than (i) acting as a partner of Metro 360, and (ii) holding illiquid investments and interests in various other operating entities. As a pure holding company, Rosebud HoldCo does not have any cash or third-party creditors.

B. Metro 360's Business Operations

23. Metro 360 operates a multi-faceted business employing a total of approximately 350 full and part-time employees which is focused primarily on the wholesale distribution of books, newspapers, audio and visual media, consumer electronic accessories and consumer packaged goods. Although a recent diversification effort has expanded Metro 360's business operations, its

core business is the Literature Business. A detailed corporate chart showing Metro 360's various business interests is attached as Exhibit "A" to this affidavit.

(i) *The Literature Business*

24. The Literature Business consists of the wholesale distribution of books, magazines and newspapers to various single-copy retail customers across Canada. Metro 360 receives product in bulk from its publishing partners, and through its logistics providers, delivers such product to more than 4,500 retailers from Alberta to the Quebec/New Brunswick border. Metro 360 has thousands of magazine and book titles available, covering a wide array of genres. The Literature Business is a legacy business of Metro 360, having been commenced by the Shapiro family in the early 1940s.

25. The Literature Business uses a relatively complex and proprietary software system to manage product allocations specific to each store size and the demographic profile of the shoppers in the area to optimize sales in every region of Canada. To my knowledge, the Purchaser is the only other entity operating in Canada with a system of this kind, which, as discussed further below, also makes the Purchaser the only logical and practical buyer for Metro 360's Literature Business.

26. This software system is also used to manage reverse logistics to account for the removed unsold product from retailers, as Metro 360, through a highly customized system, returns such unsold product to its publisher suppliers for full credit and simultaneously applies a credit to its retail customers. In connection with the Transaction, Metro 360 and the Purchaser will be able to work together to maximize Metro 360's ability to return inventory and thereby minimize, to the greatest extent possible, the amount of creditor claims that will exist against Metro 360.

(ii) *Customers*

27. The Literature Business services an expansive retail customer base of approximately 4,500 locations across Canada. Customers of the Literature Business mostly consist of independent retailers, regional grocery chains, convenience and drug retailers, and gas service stations. Generally speaking, customers in this space that are not serviced by Metro 360 in Canada, are serviced by the Purchaser.

(iii) *Suppliers*

28. As a wholesale distribution focused business, Metro 360 has many suppliers that are critical to its operations. With respect to the Literature Business, Metro 360 provides publishers with a route to market and sell their product, and accordingly, has maintained long-term relationships with a number of key publishers and literary suppliers.

29. As discussed further below, Metro 360 is currently in significant arrears with its supplier base and most key suppliers have already halted further supply. This discontinuance has had a significant and essentially terminal impact on Metro 360's ability to continue the Literature Business and it is only through the Transaction that Metro 360 will be able to re-establish a supply line to Metro 360's existing retail customer contracts .

(iv) *Employees*

30. Metro 360 currently employs approximately 350 employees, comprised of 70 salaried employees and approximately 300 hourly employees. Approximately 20 employees have been recently subject to a temporary layoff. None of Metro 360's employees are unionized.

31. Metro 360's employees are spread across the provinces of Alberta, Saskatchewan, Manitoba, Ontario and Quebec, with approximately 60 percent located in Ontario.

32. Metro 360's salaried employees are paid semi-monthly (24 pay periods per year), and its hourly employees are paid weekly. Prior to the COVID-19 pandemic, Metro 360's monthly payroll obligation was approximately \$370,000. This has recently been reduced as all management employees have accepted a 20% temporary salary reduction.

33. Metro 360's Ontario-based employees participate in a defined contribution pension plan administered through the Partners (originally established by Metro News East), pursuant to which employees are required to contribute a certain percentage of their earnings, with Metro 360 matching such contributions on a dollar-for-dollar basis (the "**Pension Plan**"). Benefits for employees under the Pension Plan used to be provided on a defined benefit basis but the defined benefit portion of the Pension Plan has been wound up.

34. Metro 360 contributed of approximately \$261,000 in 2019 to the Pension Plan. As at April 1, 2020, the Pension Plan is fully funded.

(v) *Other Business Operations of Metro 360*

35. As shown on the corporate chart attached as Exhibit "A" to this affidavit, Metro 360 also has a variety of other business operations and interests. Metro 360 has developed a presence in the consumer packaged goods space, both as a wholesale distributor for a variety of established consumer packaged goods brands, including food brands, music (both compact discs and vinyl records), consumer electronic accessories and a line of "As Seen on TV" items, and as an investor in three emerging consumer packaged goods businesses. Metro 360's consumer packaged goods investments include: (i) an approximately 14% interest in Well Ventures Corp., a cold pressed juice and kombucha company; (ii) a 50% interest in Handfuel Inc., which is a snack business that has retail listings at a number of nationally recognized grocers; (iii) a 45%

interest in All Day Nutritionals Canada Ltd. and a 27% interest in its parent, Swift Work Wellness, which is a U.S.-based producer of a liquid supplement designed for immunity support and marketed towards workplace break rooms; and (iv) certain direct and indirect interests in Spectral Agriventures Inc., which has developed a cost-efficient turnkey greenhouse model. These investments, among others, are advancing but require further runway for value to be realized.

36. Further, Metro 360 also leverages its expertise in the retail industry by offering merchandising services to third parties, which services include, among other things, maintaining retail display shelving and performing “mystery shopping” services to measure the quality of sales and service.

III. MATTERS LEADING UP TO THE NOI FILINGS

A. Business and Financial Challenges

37. Although Metro 360 and its predecessor entities have been servicing the Canadian paperback and periodical distribution industry for approximately 100 years, the Partnership has been impacted over the last number of years by challenging market conditions and changing consumer trends which are moving away from print mediums and toward online and other digital platforms. The recent proliferation of smartphones and social sharing, in particular, has impacted consumer behaviour and led to declines in the single-copy newsstand industry that Metro 360 services. Illustrative of the challenges facing Metro 360 and the broader industry in which the Literature Business operates is the fact that there are currently only two magazine and book wholesalers in Canada of any substance: Metro 360 and the Purchaser (TNG). There were as

many as 33 industry participants prior to a prolonged and significant period of consolidation where scale was used to combat the disruption caused by the emergence of alternative platforms.

38. Metro 360 had been able to survive in this increasingly challenging market environment through its own acquisition and consolidation efforts, however, the Literature Business' sales have been declining at an average annual rate over the last decade of approximately 10 percent. Net sales for Metro 360 overall were approximately \$120 million in 2019 (approximately \$103 million of which was attributable to the Literature Business), down from approximately \$470 million at its peak 12 years ago. The significant decline in sales revenue has had a negative impact on the overall business of Metro 360 and, although it has no secured debt outstanding, the Partnership has made only marginal profits over the last number of years.

39. Over the last approximately six months, Rosebud HoldCo and Alberta HoldCo, as Metro 360's partners, along with myself personally and a third-party investor, have invested approximately \$6.7 million of capital into Metro 360 in an effort to improve its overall financial and liquidity position. In addition, Rosebud HoldCo recently sold its interest in a joint venture company for approximately \$1 million to one of Metro 360's service providers, which in turn agreed to satisfy the purchase price through a corresponding reduction in the payables owing to it from the Partnership. It was management's intent that the foregoing cash funding and accounts payable reduction would provide sufficient runway for Metro 360 to continue its diversification efforts and also potentially pursue and complete a sale process for the Literature Business in due course.

40. However, the overall financial position of the Literature Business, while affected by difficult market conditions over the last number of years, has now been effectively brought to a

crippling halt by the COVID-19 pandemic. The outbreak has led to over 350 retail customers of the Literature Business temporarily closing, while many others are either not accepting deliveries or are removing their magazines due to the perception that magazines are touched by many people prior to their eventual sale, and to focus on other products deemed to be more essential in the circumstances. Supply channels have also been disrupted as delivery drivers at Metro 360's logistics provider have been unable to work, leaving new product stranded and Metro 360 unable to complete deliveries to its retail customers that remain open and receiving new product. Metro 360's merchandiser field force has also been impacted as many such employees have elected not to work in the field due to COVID-19 concerns and, as a result, Metro 360 has been forced to halt shipments to at least 14 of its best performing accounts.

41. With old product stranded at retailers, new product stranded with the logistics provider, magazine sales having nearly evaporated and book sales lagging, year over year sales in March 2020 for the Partnership were down by approximately 30 percent. It is also currently projected that April 2020 sales will be down approximately 50 to 60 percent as compared to April 2019. In these circumstances, Metro 360 fell into significant arrears to its supplier base and was unable to make certain supplier payments which became due and payable at the end of March 2020. This led to several key suppliers, which in the aggregate provide approximately 75 to 80 percent of Metro 360's product, halting further supply. This in turn means that, with no supply, Metro 360 will also very soon be in material breach of its retail customer agreements, at which time the value of its customer lists, which are included as a purchased asset to be sold to the Purchaser in the Transaction, will lose value, and its accounts receivable will be increasingly difficult to collect. Indeed, the purchase price under the Transaction reflects the stress on the business and will be reduced further or will evaporate if the Transaction is not completed as soon as

practically possible, as reflected in the closing conditions to the Transaction, which are summarized below.

B. Strategic Alternative Efforts

42. Despite the Partnership's efforts to date to manage the unprecedented economic circumstances and significant financial challenges facing Metro 360 and the Literature Business more particularly, it became apparent that an urgent solution was needed to manage supplier, customer and employee relationships and otherwise stabilize the Literature Business. In such circumstances, the Partnership began exploring potential options for an expedited sale of the Literature Business to a third-party purchaser that would be able to quickly take over and transition such business, most likely within an existing wholesale distribution network, so that the value of the Literature Business could be preserved. In this regard, KSV began working with Metro 360 approximately one month ago in order to consider restructuring alternatives and options available for Metro 360 and its stakeholders.

43. Complicating such sale efforts, however, is the fact that the market for potential purchasers of the Literature Business is restricted both by protectionist legislation and the results of consolidation. With respect to protectionist legislation, I am advised by Goodmans LLP ("**Goodmans**"), legal counsel to Metro 360 and the Partners, and understand that the *Paperback and Periodical Distributors Act, 1971* (the "**Paperback and Periodical Distributors Act**") requires that businesses engaged in the distribution of paperback and periodical publications in Ontario meet certain Canadian ownership requirements. As for consolidation, the widespread consolidation over the last 30 or so years has left very few remaining market participants that could be targeted as a potential strategic buyer. Outside of Metro 360, the only other significant

player in the Canadian paperback and periodical distribution business is the Purchaser, TNG. In fact, for this reason, Metro 360 has for some time had viewed TNG as the only real and viable potential transaction counterparty and therefore focused its sale efforts mainly on TNG, including since prior to the onset of the COVID-19 crisis.

44. Another further complicating factor to the potential sale of the Literature Business is the software system that is used to manage all product allocations and to manage reverse logistics. It is my view that a third-party purchaser (other than TNG) without experience with and access to such systems would face significant challenges in integrating the Literature Business and would likely not, as a result, offer the same value that TNG has offered.

45. In light of such circumstances, and based on overall timing and market conditions, the Partnership decided, in consultation with KSV, that an extensive sales process would not be a constructive use of time and resources, and elected instead to focus solely and squarely on approaching TNG to seek to negotiate a transaction on an expedited basis that could preserve the value of the Literature Business. These negotiations ultimately resulted in the Transaction.

C. Development of the Transaction

46. Once it became apparent that a transaction – or more specifically, a transaction that could be completed on an expedited timeline – was necessary in the circumstances and that TNG was in fact likely the only prospective third-party purchaser that could execute such a transaction given the legislative restrictions and limited market, Metro 360, in consultation with its professional advisors and KSV, engaged with TNG to discuss a potential transaction whereby TNG would acquire the Literature Business. Following initial discussions, the parties developed a non-binding term sheet which set out the principal terms on which TNG would acquire certain

assets of the Literature Business, including the book and magazine customer list, goodwill, and such other assets as the parties may agree.

47. Following further review, discussion and negotiation, the Partnership, with the assistance of its professional advisors and in consultation with KSV, and in the exercise of its business judgement, determined that the Partnership should proceed with the Transaction as the best available option in the circumstances and Metro 360 and TNG proceeded to finalize and execute the Purchase Agreement (as defined below).

48. In the extraordinary circumstances facing Metro 360 and the Literature Business, the Partnership believes that the Transaction, in conjunction with the collection of accounts receivable and the return of unsold or dated inventory, which will be facilitated by the completion of the Transaction, combined with the continuation of the Partnership's other business operations, represents the best (and only) available alternative in the circumstances and will allow the Partnership at a later time to present a restructuring plan to Metro 360's creditors that will maximize value and support the Partnership's intention of repaying its creditors in full. Of note, the Transaction will see the going concern sale of the Literature Business, which otherwise would likely be required to cease operations and be liquidated, for cash value payable upon closing of the Transaction that will form the base of a creditor pool to be used to advance an eventual restructuring plan. Additional benefits of the proposed Transaction include:

- (a) TNG making offers of employment to 23 of Metro 360's 70 salaried employees and 268 of its approximately 300 hourly employees;¹

¹ Two of Metro 360's salaried employees will only be receiving a six month contract offer from TNG.

- (b) TNG assuming and agreeing to perform certain of Metro 360's retail customer contracts, thereby facilitating the continued distribution and delivery of literature product for the benefit of such customers;
- (c) although TNG is not assuming any of Metro 360's supplier agreements, TNG has existing relationships with the majority of Metro 360's suppliers and is therefore expected to come to arrangements with such suppliers for increased supply, as appropriate;
- (d) TNG is not acquiring any of Metro 360's accounts receivable, leaving Metro 360 to collect outstanding accounts receivable. The Partnership estimates that there is approximately \$13 million in outstanding accounts receivable to be collected. Completion of the Transaction is expected to help facilitate Metro 360's accounts receivable collections given that product will continue to flow to these customers from TNG as a result of the Transaction, and disruption in supply should be minimized or non-existent. Further, with TNG agreeing to retrieve and return all of Metro 360's unsold inventory, Metro 360 will be better able to settle its customer accounts as customers in this industry deduct returns from their payments;
- (e) TNG is not acquiring any of Metro 360's inventory. Metro 360 estimates that it has approximately \$22 million of inventory currently with retail customers and an additional \$15 million with its logistics provider, all of which is fully returnable for a corresponding dollar-for-dollar reduction in amounts owed to suppliers. TNG has agreed pursuant to the Transaction to facilitate the pickup and return of

Metro 360's unsold inventory for processing at its sole cost and expense, which will greatly assist the refund process and directly cause a reduction of claims that would and could otherwise be made against Metro 360's estate; and

- (f) TNG has agreed to enter into a services agreement with CMMI Canadian Mass Media Inc. ("CMMI"), a company related to Metro 360, pursuant to which TNG will provide certain services to CMMI that have historically been performed by Metro 360, including services relating to billing and collections, customer service and in-field merchandising.

49. In addition, the Transaction is principally focused on the Literature Business. As referenced above and discussed further below, Metro 360 has other business interests which can assist in generating revenues to facilitate debt repayment over time.

50. As discussed above, the Proposal Trustee has been involved and kept informed of key developments regarding the Transaction as negotiations have progressed. I understand that the Proposal Trustee supports and approves of the proposed Transaction and will be filing a report with the Court in respect of same.

51. I am also advised by Goodmans that, in accordance with the requirements of section 65.13(8) of the BIA related to the approval of sale transactions in BIA proceedings, Metro 360 can and will make payments (or satisfactory arrangements therefor), if any, that are required under sections 60(1.3)(a) and (1.5)(a) of the BIA. In particular, Metro 360 has paid and continues to pay all employee wages and compensation referred to in Section 60(1.3)(a) of the BIA.

IV. THE PROPOSED TRANSACTION AND THE PURCHASE AGREEMENT

52. The terms of the Transaction are set forth in the asset purchase agreement dated as of April 3, 2020 between Metro 360 (by Alberta HoldCo as a partner of Metro 360) and TNG (the “**Purchase Agreement**”), a partially redacted copy of which is attached as Exhibit “A” to this affidavit. An unredacted copy of the Purchase Agreement will be provided to the Court in a confidential supplement to the first report of the Proposal Trustee. The unredacted Purchase Agreement contains certain sensitive commercial information (including Metro 360’s customer list, the customer contracts that are being assumed by TNG and the specific components of the purchase price, as well as the names and salary information of transferred employees) that, if disclosed prior to closing of the Transaction, could adversely impact the interests of the Partnership and its stakeholders, and the go-forward interests of TNG, as Purchaser. Accordingly, the Partners are requesting that this Court order that the confidential supplement be sealed.

53. The material terms of the Transaction are summarized below:²

- (a) TNG will acquire the Assets in exchange for cash consideration of \$925,000, payable in five equal monthly installments with the first such payment occurring on the Closing Date and each subsequent payment being made monthly thereafter;
- (b) the Assets include:
 - (i) all customer and title records of Metro 360;

² Capitalized terms used in this section that are not otherwise defined herein shall have the meaning given to such terms in the Purchase Agreement. The following constitutes a summary only; reference should be made to the Purchase Agreement for a complete understanding of its terms.

- (ii) any and all magazine racks located in customer locations; and
 - (iii) the goodwill of Metro 360 for customers located in Canada that relates to the distribution and sale of books and magazines;
- (c) the Assets are being purchased on an “as is, where is” basis;
- (d) Excluded Assets under the Transaction include Metro 360’s accounts receivable and inventory;
- (e) TNG making offers of employment to 23 of Metro 360’s 70 salaried employees and 268 of its approximately 300 hourly employees;
- (f) TNG will assume certain specified contractual liabilities of Metro 360, consisting of certain retail customer contracts; and
- (g) the Transaction is subject to certain customary closing conditions, including (i) this Court issuing the Approval Order within three business days of the commencement of these BIA proceedings, and (ii) the closing of the Transaction occurring within two business days of the Approval Order being issued by the Court. The Purchase Agreement provides that these deadlines can be extended with the consent of the Purchaser, however given market conditions and timing as discussed above, Metro 360 has no assurance that any such deadlines would be extended by the Purchaser, or even if so, on what terms.

V. ADDITIONAL RELIEF BEING SOUGHT

A. Extension of the Stay of Proceedings and Related Relief to Metro 360

54. The NOIs filed in connection with these proceedings are only in respect of the Partners. Metro 360 has not filed a notice of intention to make a proposal under the BIA as it is anticipated that these BIA proceedings may be converted to proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA") due to the limited six month timeline contained in the BIA within which a proposal must be filed and presented to creditors. Converting to a CCAA proceeding will afford Metro 360 additional time to realize value for its creditors, which may take more than six months. In addition, I am advised by Goodmans and understand that a partnership cannot apply for relief under the CCAA, and so filing that Partnership in a BIA proceeding could mean that the Partnership becomes stuck within the BIA if filed, and thereby limited to only the six month window. By not filing the Partnership in the BIA, I am advised by Goodmans that the Partnership will have greater flexibility to potentially access the greater than six month window available as part of a CCAA proceeding to realize value for its creditors, if needed.

55. In these circumstances, the Partnership is requesting that protections provided under the BIA in favour of Alberta HoldCo and Rosebud HoldCo granted by the filing of the NOIs, including the stay of proceedings and the restriction on the ability of contract counterparties to terminate or amend pre-filing agreements due to insolvency, be extended for the benefit of Metro 360. Metro 360 is the entity through which the Literature Business is operated and so it would be extremely detrimental to the Partners, the Partnership and its business operations and stakeholders, if a stay of proceedings is not extended to Metro 360. It would also be extremely detrimental if Metro 360's customers, suppliers or service providers ceased performing under

existing agreements or tightened terms as a result of the NOIs and the commencement of these proceedings. I am advised by Goodmans that the extension of these protections to the Partnership is consistent with the *Lehndorff* principles, as discussed by Goodmans in its factum filed in support of this motion.

B. Disposal of Redundant or Non-Material Assets

56. Metro 360 is in the process of considering and pursuing a number of other potential transactions with respect to non-material assets and/or businesses not included within the scope of the Transaction (the “**Non-Material Residual Assets**”) in order to maximize value for the benefit of its creditors.

57. Metro 360 is seeking authorization to continue exploring opportunities for the sale of its Non-Material Residual Assets and, with the prior approval of the Proposal Trustee, to enter into and complete any transaction for Non-Material Residual Assets for not exceeding \$200,000 in any one transaction or \$400,000 in the aggregate. Metro 360 will still be required to seek Court approval for any transaction for proceeds in excess of the aforementioned thresholds.

VI. COMPETITION ACT MATTERS

58. Based on advice from Goodmans, I understand that the requirement to provide notice to the Commissioner of Competition before the Transaction is completed, pursuant to Part IX of the *Competition Act* (Canada) (the “**Competition Act**”), does not apply to the Transaction as the Transaction does not meet the requirements of that Part of the Competition Act for review or notice thereunder (as neither the aggregate value of the assets being acquired, nor the gross revenues from sales in or from Canada generated from those assets, is expected to exceed \$96 million, which is the monetary threshold under the Competition Act).

VII. CONCLUSION

59. Despite Metro 360's best efforts to manage the general decline in the print market and the unprecedented challenges arising as a result of the COVID-19 pandemic, its Literature Business is facing a significant and rapid erosion as both its supply and distribution networks have stalled, leaving Metro 360 product stranded and the Partnership in risk of breaching its customer arrangements and in significant payment arrears with its supplier base.

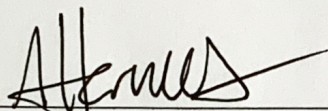
60. In such circumstances, Metro 360 began exploring potential sale options for the Literature Business and, with the assistance of its professional advisors, has determined that the Transaction is the best alternative in the circumstances. Metro 360 believes that completing the Transaction (which will realize value for the Literature Business, save the jobs of almost 80 percent of the Partnership's employees and will maintain supplier and customer relationships), in conjunction with the collection of accounts receivable and the return of inventory (which collectively are estimated to result in realizations of up to \$50 million), and the continuation of the Partnership's other business operations, represents the best available alternative in the circumstances. Metro 360 believes that this approach will maximize value for its creditors over time and assist the Partnership in its efforts to develop a restructuring plan that will result in full repayment to creditors.

61. Recent events have caused material reductions in the purchase price offered by TNG in the negotiations for the assets to be sold in the Transaction (which are mainly customer lists and associated goodwill) and it is critical that the Transaction be approved and implemented, with an Order from this Court to protect the Purchaser, in the immediate near-term to maintain the value offered by TNG in the executed Purchase Agreement. In my view, it is crystal clear that if TNG

does not acquire these assets through the Transaction, there will be no other buyer for like value for these assets.

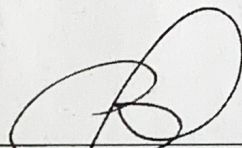
62. In the circumstances, I believe that the approval of the Transaction and the other relief requested on the within motion are in the best interests of the Partnership and its stakeholders.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, on April 6, 2020



A Commissioner for taking affidavits
Name:

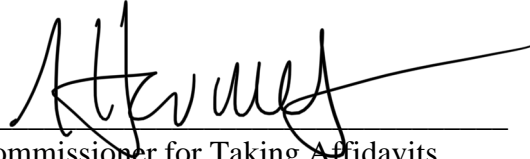
ANDREW HARRIES



Daniel P. Shapiro

C

THIS IS EXHIBIT "C"
TO THE AFFIDAVIT OF DANIEL P. SHAPIRO
SWORN BEFORE ME OVER VIDEOCONFERENCE
THIS 10th DAY OF NOVEMBER, 2021



Commissioner for Taking Affidavits

Estate / Court File No.: 31-2636843

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

**IN THE MATTER OF THE PROPOSAL OF METRO 360
GENERAL PARTNERSHIP AND THE PARTNERS
THEREOF**

AFFIDAVIT OF DANIEL P. SHAPIRO
(sworn June 10, 2020)

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Estate / Court File No.: 31-2636843

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

**IN THE MATTER OF THE PROPOSAL OF METRO 360
GENERAL PARTNERSHIP AND THE PARTNERS
THEREOF**

AFFIDAVIT OF DANIEL P. SHAPIRO
(sworn June 10, 2020)

I, Daniel P. Shapiro, of the City of Toronto, in the Province of Ontario, **MAKE OATH**
AND SAY:

I. INTRODUCTION

1. I am the President of 957855 Alberta Ltd. (formerly NewsWest Inc.) (“**Alberta HoldCo**”) and the President of Rosebud Creek Financial Corp. (“**Rosebud HoldCo**” and together, with the Alberta HoldCo, the “**Partners**”). The Partners are holding companies which together hold 100% of the interests of Metro 360 General Partnership (“**Metro 360**”). Accordingly, I have personal knowledge of the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true. Neither the Partners nor Metro 360 waive or intend to waive any applicable privilege by any statement herein.

2. This affidavit is sworn in support of the Partners' motion for an Order (the "**Initial Order**"), among other things, taking up and continuing the Proposal Proceedings (as defined below) under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). While Metro 360 is not a party to the Proposal Proceedings (except to the extent that certain protections afforded to the Partners in the Proposal Proceedings were extended to Metro 360) and is not proposed to be an applicant in the CCAA proceedings, the Partners request that this Court exercise its jurisdiction to extend the stay of proceedings and certain other protections under the proposed Initial Order to Metro 360 as it is through Metro 360 that the Partners conduct their business operations. Both Alberta HoldCo and Rosebud HoldCo are holding companies which do not conduct any active business other than as acting as a partner of Metro 360, or holding investments in certain other operating entities. The only reason that Metro 360 is not an applicant in the CCAA proceedings is that it is a partnership, and thus incapable of being an applicant under that legislation.

3. Unless otherwise indicated, monetary references in this affidavit are references to Canadian dollars.

II. OVERVIEW

4. Metro 360 is a general partnership established under the laws of Ontario which operates a multi-faceted business that, prior to completing the TNG Transaction (as defined and described below), was focused primarily on the wholesale distribution of books, magazines and newspapers to various single-copy retail customers across Canada (the "**Literature Business**").

5. In my affidavit sworn on April 6, 2020 in these proceedings (the “**April 6 Affidavit**”), a copy of which (without exhibits) is attached hereto as Exhibit “A”, I provided considerable detail on Metro 360, the Partners, the Literature Business and the issues which were facing it at the time, the options considered by Metro 360 and the reason why the sale of the Literature Business (the “**TNG Transaction**”) to Great Pacific Enterprises Inc. dba TNG (“**TNG**”) was the only viable option and was of benefit to the stakeholders of Metro 360 and the Partners. I do not repeat herein the detailed background information on these matters which was contained in the April 6 Affidavit.¹

6. On April 6, 2020, the Partners filed notices of intention to make a proposal (each, an “**NOI**” and together, the “**Proposal Proceedings**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) to initiate proceedings to implement the TNG Transaction. The April 6 Affidavit was sworn in support of the approval of the TNG Transaction, which was also supported by KSV Kofman Inc. (“**KSV**”), in its capacity as the proposal trustee in the Proposal Proceedings (in such capacity, the “**Proposal Trustee**”). Copies of the NOIs are attached to this affidavit as Exhibits “B” and “C”. This Court granted an Approval and Vesting Order on April 7, 2020 approving the TNG Transaction, a copy of which is attached hereto as Exhibit “D”, and the TNG Transaction closed the next day on April 8, 2020.

7. As was detailed in the April 6 Affidavit and at the April 7, 2020 hearing, Metro 360 and the Partners believe that the sale of the Literature Business pursuant to the TNG Transaction, in conjunction with the collection of accounts receivable and the return of unsold inventory,

¹ Capitalized terms used in this affidavit that are not otherwise defined have the meaning given to such terms in the April 6 Affidavit.

combined with the continuation of Metro 360's other business operations, would maximize value in the circumstances and assist Metro 360 in its efforts to eventually develop and advance a restructuring plan that would result in full repayment to its creditors. Since part of that restructuring plan will depend upon the performance of Metro 360's other businesses and investments, and in light of current economic conditions in the pandemic, it is likely that any such plan will take more than 6 months to formulate.

8. In consultation with their professional advisors and the Proposal Trustee, Metro 360 and the Partners have determined that the CCAA provides the most appropriate forum for them to develop a restructuring plan that will maximize value and hopefully repay Metro 360's creditors in full. As referenced above, Metro 360 has other operating businesses and investments which can generate revenue and returns to assist with the debt repayment over time. Metro 360 and the Partners require the flexibility and stability afforded by the CCAA to enable Metro 360 to continue to operate its remaining businesses and afford additional time for its business investments to generate more value for the benefit of Metro 360's stakeholders. I believe that the CCAA is the most appropriate forum for Metro 360 and the Partners to pursue their restructuring, as the potential additional time which it affords will provide Metro 360 and the Partners with the best opportunity to develop and advance a restructuring plan that will further the stated intention of repaying Metro 360's creditors in full.

9. Accordingly, the Partners are seeking the proposed Initial Order to convert and take up the Proposal Proceedings under the CCAA.

10. The Partners are also requesting that certain protections and authorizations under the proposed Initial Order, including a stay of proceedings, be extended for the benefit of Metro 360.

The Partners believe that such relief is appropriate in the circumstances as Metro 360 is the entity through which their partnership's operating business is conducted. While Metro 360 did not file a NOI in anticipation of this motion to convert the Proposal Proceedings to proceedings under the CCAA, the stay of proceedings and certain other protections provided in the Proposal Proceedings were extended to Metro 360 pursuant to an order of this Court granted on April 7, 2020 (the "**Procedure Order**"), a copy of which is attached hereto as Exhibit "E". It would be detrimental to Metro 360's operating businesses and overall restructuring efforts, and to the stakeholders of Metro 360, if it does not continue to benefit from a stay of proceedings following the conversion of the Proposal Proceedings to proceedings under the CCAA. The granting of the requested Initial Order will maintain stability for Metro 360's operating businesses while a restructuring plan is advanced under the CCAA, thereby providing the best opportunity for an orderly restructuring and a value-maximizing outcome for the benefit of Metro 360's stakeholders.

III. METRO 360'S OTHER BUSINESS INTERESTS

11. As part of Metro 360's efforts to diversify its activities, Metro 360 has invested in a number of emerging businesses. As shown on the corporate chart attached as Exhibit "F" to this affidavit, Metro 360 has investments in the following businesses: Well Ventures Corp. ("**Well Ventures**"); Handfuel Inc. ("**Handfuel**"); All Day Nutritionals Canada Ltd. ("**All Day Nutritionals Canada**") and All Day Nutritionals Inc. ("**All Day Nutritionals U.S.**" and, together with All Day Nutritionals Canada, "**Swift Work Wellness**"); Spectral Agriventures Inc. ("**Spectral Agriventures**"); and Retail Support Services (Canada) Ltd. ("**RS2**").

12. Details of Metro 360's emerging business investments are as follows:

- (a) Well Ventures: Well Ventures, through its wholly-owned subsidiary Well Juicery Canada Ltd., is a Canadian health drink company. Well Ventures manufactures and distributes a variety of cold pressed juices, nutrient infused lemonades and kombucha drinks under the brand name "Well" to retailers and restaurants across Canada, and also develops and supplies private label drink brands. Well Ventures has also recently launched an organic vodka infused lemonade line of products that is currently sold in liquor stores in Ontario and Western Canada, and is expected to be distributed in the United States through an arrangement with a significant American national grocery retailer. Metro 360 holds an approximately 14% interest in Well Ventures.²
- (b) Handfuel: Handfuel is a Canadian healthy snack company which is focused on manufacturing flavourful and nutritious snack products for health conscious consumers. Handfuel has retail listings at a number of nationally recognized grocers and restaurants in Canada, and its product is also expected to be distributed in the United States beginning in late 2020 or early 2021. Metro 360 holds a 50% interest in Handfuel.
- (c) Swift Work Wellness: Swift Work Wellness produces a liquid supplement designed to support immune system health, enhance focus and improve energy. Swift Work Wellness' liquid supplement is dispensed through a cooler system

² Rosebud HoldCo also holds a 9.7% interest Well Ventures.

and is marketed towards use in workplace break rooms as a means of improving workplace wellness and overall employee performance. Metro 360's interest in Swift Work Wellness consists of a 27% holding in All Day Nutritionals U.S., the U.S. parent, and a 45% interest in All Day Nutritionals Canada, the Canadian subsidiary.

- (d) Spectral Agriventures: Spectral Agriventures has developed a cost-efficient turnkey greenhouse model which has the potential to reposition how Canadian grocery retailers source produce and leafy greens. In particular, Spectral Agriventures' turnkey greenhouse model allows for produce to be grown and distributed within Canada on a cost-efficient basis, ensuring freshness, and a reduced carbon footprint, and maintaining price competitiveness against international growers. Metro 360 directly holds an approximately 8% interest in Spectral Agriventures and also has a 36% interest in Spectral Agriventures indirectly through Well Ventures.
- (e) RS2: RS2 has developed a methodology to collect, organize, analyze and sell retail sales data, with a specific focus on magazines. RS2 also owns, manages and sells a cover analyzer database to publishers which allows publisher to assess the performance of their own and competing titles. Metro 360 holds a 37% interest in RS2, with the Jim Pattison Group (which is also the ultimate owner of TNG, the purchaser of the Literature Business) owning the remaining interest.

13. Well Ventures, Handfuel, Swift Work Wellness, Spectral Agriventures and RS2 are not applicants in the proposed CCAA proceedings.³

IV. UPDATE ON MATTERS SINCE THE COMMENCEMENT OF THE PROPOSAL PROCEEDINGS

14. Since commencing the Proposal Proceedings, Metro 360 and the Partners, in consultation with and with the assistance of the Proposal Trustee, have been working diligently to, among other things, implement the TNG Transaction, facilitate the return of unsold Literature Business inventory for credit and a reduction of the Metro 360 payables, collect the outstanding accounts receivable related to the Literature Business, maintain the stability of its remaining operating businesses (with a focus on its consumer packaged goods businesses) and continue to grow its business investments, manage relationships with key stakeholders, and begin the process of working towards developing and advancing a restructuring plan that maximizes value for the benefit of creditors and other stakeholders, as discussed further in this affidavit.

A. Activities Since the Commencement of the Proposal Proceedings

15. Metro 360's activities since the April 7 hearing include the following:

- (a) As referenced above and described further below, Metro 360 completed the TNG Transaction on April 8, 2020 in accordance with the Approval and Vesting Order. In connection with the implementation of the TNG Transaction, representatives of Metro 360 have engaged with its major retail customers and hundreds of its

³ Rosebud HoldCo, in addition to being a Partner of Metro 360, also owns a 50% interest in United Library Services Inc. ("ULS"), a wholesale distributor of books to schools and libraries primarily in Western Canada. Metro 360 does not hold any interest in ULS.

smaller retail customers in an effort to assist with the transition of the Literature Business to TNG;

- (b) Metro 360 has been working diligently since the closing of the TNG Transaction to facilitate the return and processing of unsold Literature Business inventory (which is discussed further below) and to collect its outstanding accounts receivable;
- (c) Metro 360 and the Partners have undertaken efforts following the implementation of the TNG Transaction to eliminate or reduce certain redundant expenses and have also commenced efforts, where applicable, to market certain remaining surplus assets in order to generate additional proceeds and in this regard has sold certain vehicles generating recoveries of \$31,119.47 (plus HST), in accordance with the terms of the Procedure Order;
- (d) Metro 360 and its counsel have been in discussions with certain creditors and their representatives to provide information and responses with respect to various inquiries regarding the Proposal Proceedings;
- (e) Metro 360 has reduced its employee headcount by approximately 335 employees following the sale of the Literature Business (the majority of such employees being offered employment with TNG as part of the TNG Transaction) and has also implemented a temporary 20 percent wage cut for its management employees;

- (f) Metro 360 has continued paying its remaining employees and personnel and has remitted pension contributions in the ordinary course in accordance with existing practices and, as discussed in further detail below, has developed a key employee retention plan (discussed further below) in an effort to retain the services of selected key employees and prevent their departures; and
- (g) Metro 360 has continued paying suppliers for goods and services that were contracted for and provided to Metro 360 after the commencement of the Proposal Proceedings.

16. Senior management of Metro 360 and the Partners have met regularly with their counsel and with the Proposal Trustee to provide ongoing updates with respect to Metro 360's remaining business operations, interactions with stakeholders, and other developments during the Proposal Proceedings. I understand that the Proposal Trustee will be filing a report in connection with this motion (the "**Second Report**") that will further detail the activities of Metro 360 and of the Proposal Trustee since the commencement of the Proposal Proceedings.

B. Implementation of the TNG Transaction and Collection and Return of Unsold Inventory

17. As referenced above, the TNG Transaction closed on April 8, 2020. The first installment of the \$925,000 purchase price, in the amount of \$185,000, was paid to Metro 360 at closing, and the second purchase price installment of \$185,000 was made in May. There are three monthly purchase price installments which remain to be paid to Metro 360 pursuant to the terms of the

Purchase Agreement, including the June payment which Metro 360 expects to receive in short order.

18. In connection with the closing of the TNG Transaction, 23 of Metro 360's 70 salaried employees and 268 of its approximately 300 hourly employees were offered employment with TNG. Metro 360 currently has a staff of 43 employees to assist, among other things, with the wind-down of the Literature Business, the collection of outstanding accounts receivable and the operation of Metro 360's ongoing business activities. Those Metro 360 employees who were not offered employment with TNG and whose services were no longer required as a result of the sale of the Literature Business were advised following completion of the TNG Transaction that their employment with Metro 360 was being terminated.

19. As advised in the April 6 Affidavit, at that time, Metro 360 had approximately \$35 million of refundable Literature Business inventory at retail accounts and with its logistics provider. Pursuant to the TNG Transaction and the terms of the Purchase Agreement, TNG agreed to retrieve and return all of Metro 360's unsold Literature Business inventory at TNG's sole cost and expense. Following the closing of the TNG Transaction, representatives of Metro 360 and TNG worked together to develop a detailed standard operating procedure to facilitate the retrieval and processing of this unsold Literature Business inventory.

20. As at May 23, 2020, approximately \$25.8 million of the inventory that had been with Metro 360's retail accounts and with Metro 360's logistics provider, has been returned to suppliers and processed for refund through Metro 360's software system. The process of retrieving Metro 360's significant amount of unsold Literature Business inventory is a

considerable undertaking, particularly in the current COVID-19 environment, and Metro 360 estimates that the process will take until at least the end of October 2020 to complete.

21. Metro 360, in consultation with the Proposal Trustee, has been working diligently with TNG to facilitate the retrieval and return of Metro 360 inventory in a timely manner and will continue to do so following the conversion of these Proposal Proceedings to proceedings under the CCAA.

C. Discussions with BNS

22. I am advised by Goodmans LLP (“**Goodmans**”), counsel to Metro 360 and the Partners, that in advance of the hearing to approve the TNG Transaction, Goodmans conducted searches of the personal property registry systems in respect of Metro 360 in the provinces in which it operates in order to determine whether there were any secured parties that required advance notice pursuant to the BIA, and that such searches did not reveal any registrations against Metro 360. I am also advised by Goodmans that further searches were performed in respect of the Partners shortly before the sale hearing, which searches showed a registration in Ontario in favour of the Bank of Nova Scotia (“**BNS**”) against Rosebud HoldCo relating to Rosebud HoldCo’s guarantee of a non-revolving credit facility made available by BNS to me personally pursuant to a commitment letter dated December 21, 2018. Although there was no registration in respect of Metro 360, notice of the sale hearing and the relief being sought, along with copies of the relevant materials, were provided to representatives of BNS on the morning of such hearing.

23. Following the hearing, Goodmans engaged with counsel to BNS. During this time, it was determined that Metro 360 had also provided a guarantee, although no security interest was

registered against Metro 360. BNS amended its registration after the NOI filing to add Metro 360 as a debtor. Following discussions amongst counsel, the parties agreed that reasonable notice would be provided to BNS in respect of any sale outside of the ordinary course of business, and that BNS would be added to the service list in these proceedings.

D. Disposal of Redundant or Non-Material Assets

24. As referenced in the April 6 Affidavit, at the time of the sale hearing, the Court was advised that Metro 360 was in the process of considering and pursuing a number of other potential transactions with respect to non-material assets and/or businesses not included within the scope of the TNG Transaction (the “**Non-Material Residual Assets**”). The Procedure Order authorized Metro 360 to enter into and complete any transaction for the Non-Material Residual Assets for proceeds not exceeding \$200,000 in any one transaction or \$400,000 in the aggregate.

25. In this regard, Metro 360 has sold certain vehicles generating recoveries of \$31,119.47 (plus HST), and is currently in the process of pursuing and considering various other options with respect to its Non-Material Residual Assets.

V. FINANCIAL SITUATION

26. As referenced above, Alberta HoldCo and Rosebud HoldCo are both holding companies and it is Metro 360 that is the principal operating entity through which the Partners conduct their business operations. Accordingly, the discussion in this section is focused on Metro 360’s financial situation.

A. Financial Statements

27. A copy of Metro 360's reviewed financial statements as of December 31, 2019 is attached as Exhibit "G" to this affidavit. These are the most recent set of annual reviewed financial statements prepared by Metro 360's auditor.

28. In addition, a copy of Metro 360's unaudited balance sheet and fiscal year-to-date income statement for the period ended May 23, 2020 is attached as Exhibit "H" to this affidavit.

29. As at May 23, 2020, Metro 360 had total consolidated assets with a net book value of approximately \$32.5 million, and total consolidated liabilities of approximately \$34.9 million. The book value of Metro 360's assets includes illiquid assets, such as intercompany receivables and its business investments. It should also be noted that, after and as a result of the TNG Transaction, no borrowings are outstanding or permitted under the Credit Agreement dated as of October 17, 2012 between Metro 360 and the Toronto Dominion Bank ("TD"), as described in the April 6 Affidavit.

B. Unsecured Creditors

30. As at May 23, 2020, Metro 360 had approximately \$32.6 million in outstanding accounts payable due to trade creditors.

31. As referenced above and described in greater detail in the April 6 Affidavit, the disruption caused by COVID-19 left Metro 360 in significant arrears to its supplier base, with approximately \$65 million in current liabilities owed to unsecured creditors at the time of the sale hearing, approximately \$51 million of which was owed to trade creditors. Through the TNG

Transaction and the sale, retrieval and return of approximately \$25.8 million of Metro 360's unsold inventory to date, Metro 360 has been able to significantly reduce the amount of outstanding accounts payable currently due to trade creditors.

C. Cash Position

32. As at June 4, 2020, Metro 360's cash balance was approximately \$11.1 million.

33. Metro 360, with the assistance of the Proposal Trustee, has prepared a 13-week cash flow forecast (the "**Cash-Flow Forecast**") as required by the CCAA. I understand that the Cash-Flow Forecast will be attached as an appendix to the Second Report.

VI. CONTINUATION OF THE PROPOSAL PROCEEDINGS UNDER CCAA

34. The Partners seek to continue the Proposal Proceedings under the CCAA pursuant to Section 11.6 of the CCAA. The CCAA is the best forum for these proceedings and presents the best possible chance of maximizing value for all stakeholders of Metro 360, including its creditors.

35. I am advised by counsel that pursuant to the BIA, Metro 360 is required to file with the Proposal Trustee a proposal, which would be acceptable to creditors, within a maximum of six months from the commencement of the Proposal Proceedings. Metro 360 has been focused in the Proposal Proceedings on maintaining the stability of its remaining operating businesses following the completion of the TNG Transaction and facilitating the wind-down of the Literature Business, and it requires additional time in the current economic environment to develop a restructuring plan that can be presented to creditors. In addition, Metro 360's other

business investments are advancing, but require further runway for maximum value to be realized as these are early stage businesses. Converting the Proposal Proceedings to proceedings under the CCAA will afford Metro 360 greater flexibility and additional time to focus on growing its ongoing business and investments, thereby maximizing value for stakeholders.

36. In addition, I am also advised by counsel that if the Proposal Proceedings continue and Metro 360 fails to make a proposal or if such a proposal is rejected by its creditors, or if Metro 360 fails to meet certain statutory timelines under the Proposal Proceedings, the Partners, and thus Metro 360, will be automatically deemed bankrupt.

37. I am advised that KSV, as the Proposal Trustee, supports the Partners' motion to continue the Proposal Proceedings under the CCAA and consents to its appointment as Monitor in the proposed CCAA proceedings.

VII. CCAA PROCEEDINGS AND THE RELIEF SOUGHT

A. Objective of the CCAA Filing

38. As described above and in further detail in the April 6 Affidavit, as a result of the general decline in the print market and the unprecedented challenges impacting Metro 360 and the Literature Business in connection with the COVID-19 pandemic, Metro 360 sought protection from its creditors under the BIA in order to facilitate the TNG Transaction in respect of the Literature Business so that the value remaining in such business could be preserved, creditor claims could be reduced through the going concern continuation of the Literature Business (which facilitates the retrieval and return of unsold Literature Business inventory and the

collection of outstanding accounts receivable), and the jobs of hundreds of employees could be protected. The TNG Transaction has been completed, but Metro 360 continues to require protection from its creditors as Metro 360 is currently unable to satisfy in full its obligations to creditors and is therefore insolvent. Continued creditor protection will maintain stability for Metro 360's remaining operating businesses (including its consumer packaged goods businesses) and provide additional time for its business investments to mature so that a value maximizing restructuring plan can be presented to creditors.

39. As part of Metro 360's restructuring strategy, while under CCAA protection, it intends, among other things, to:

- (a) use the time and stability afforded by the CCAA to continue to manage the remaining Metro 360 operating businesses and further develop Metro 360's emerging business investments;
- (b) continue to collect outstanding accounts receivable related to the Literature Business and work with TNG to complete the retrieval and return of unsold Literature Business inventory;
- (c) continue to explore opportunities for the sale of Non-Material Residual Assets and enter into and complete transactions in respect thereof in accordance with the proposed Initial Order (which contains the same asset-disposition thresholds as are set out in the Procedure Order);

- (d) continue to grow Metro 360's ongoing business operations (including its consumer packaged goods businesses) and investments and enable such businesses and investments time to develop; and
- (e) develop a plan of compromise or arrangement within the CCAA proceedings that can be presented to Metro 360's creditors,

in each case with a view to maximizing value for Metro 360's creditors and eventually having Metro 360 emerge from creditor protection.

40. The flexibility afforded by the CCAA will allow Metro 360 time to continue to carry on its business operations in the normal course and undertake to wind-down the Literature Business while concurrently advancing a restructuring plan, thereby preserving going concern value and enabling its emerging business investments time to develop. Metro 360 believes that the continuation of the Proposal Proceedings under the CCAA will provide the best opportunity for Metro 360 to complete an orderly restructuring and achieve a value-maximizing outcome for all stakeholders.

B. Relief Sought

(i) Stay of Proceedings and Extension of Relief to Metro 360

41. Metro 360 requires continued protection from its creditors. In the present circumstances, Metro 360 is currently unable to satisfy all of its liabilities as they become due and is therefore insolvent. Without the benefit of continued creditor protection, there could be an immediate and significant erosion of value to the detriment of stakeholders.

42. Although Metro 360 is not an applicant to these proceedings (since it is a general partnership rather than a “company” to which the CCAA applies), the Partners are requesting that the benefit of certain protections and authorizations of the Initial Order in favour of Alberta HoldCo and Rosebud HoldCo, including the stay of proceedings and the restriction on the ability of contract counterparties to terminate or amend pre-filing agreements due to insolvency, be extended for the benefit of Metro 360. It is essential that Metro 360 benefit from CCAA protection given that:

- (a) the stay of proceedings under the BIA and the restriction under the BIA on the ability of contract counterparties to terminate or amend pre-filing agreements due to insolvency have both been extended in the Proposal Proceedings to Metro 360 pursuant to the Procedure Order;
- (b) Metro 360 is the entity through which the Partners conduct their business operations as the Partners are holding companies that do not conduct any active business in the ordinary course, and it would be extremely detrimental to the Partners, to Metro 360, and to Metro 360’s business operations and stakeholders if a stay of proceedings under the CCAA was not extended to Metro 360;
- (c) it would also be extremely detrimental if any of Metro 360’s customers, suppliers or service providers ceased performing under existing agreements or tightened terms as a result of the conversion of the Proposal Proceedings to proceedings under the CCAA;

- (d) if any enforcement proceedings were commenced against Metro 360, it would cause significant disruption to the Partners and defeat the purpose of obtaining CCAA protection to preserve the stability of, and provide additional time to, Metro 360 and its business; and
- (e) any impairment or disruption of Metro 360's ongoing business will adversely impact its ability to file a plan of compromise or arrangement for consideration by its creditors.

43. In the absence of extending CCAA protection to Metro 360, the management team of Metro 360 would be required to expend considerable time and effort addressing the foregoing risks rather than working to address Metro 360's efforts to pursue a value maximizing restructuring plan. The extension of CCAA protection to Metro 360 will provide stability for its business operations and enable management to pursue a value-maximizing restructuring in an orderly manner. Having regard to the circumstances, and in an effort to preserve and maximize value for the benefit of Metro 360's stakeholders, I believe that granting a stay of proceedings and extending the stay and certain related relief to Metro 360 is in the best interests of Metro 360 and all stakeholders thereof.

44. I am advised by Goodmans that, in accordance with recent amendments to the CCAA, the proposed Initial Order provides that the stay of proceedings granted thereunder can only be effective for up to 10 days, or until June 26, 2020 (the "**Stay Period**"). However, given that the Proposal Proceedings have been ongoing for more than 60 days, that the Proposal Trustee has already provided notice of the Proposal Proceedings pursuant to the BIA to all of Metro 360's creditors who were owed more than \$250 at the date of the NOI filing, and that this motion to

convert the Proposal Proceeding will be served 7 days prior to the hearing date, the Partners and Metro 360 intend to ask the Court to assist in permitting a path to extend the Stay Period, beyond the initial 10-day Stay Period, for an additional 90 days without the cost of an additional attendance. I understand that KSV, as the proposed Monitor, is supportive of the assistance to be sought from the Court in this regard.

(ii) *Payments During the CCAA Proceedings*

45. During the course of the CCAA proceedings, Metro 360 intends to make payments for goods and services supplied after the issuance of the Initial Order in the ordinary course as set out in the Cash Flow Forecast (as defined below) and as permitted by the proposed Initial Order.

46. The Partners are seeking authorization pursuant to the proposed Initial Order to pay all reasonable expenses incurred by Metro 360 in carrying on its business in the ordinary course after the date of the Initial Order, and to pay certain expenses, whether incurred prior to, on or after the date of the Initial Order, in respect of:

- (a) outstanding and future wages, salaries, commissions, compensation, employee benefits, pension contributions, vacation pay and expenses (including, without limitation, payroll and benefits processing and servicing expenses) payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any consultants, agents, experts, accountants, counsel, investment bankers and financial advisors and such other persons

retained or employed by Metro 360 in respect of the CCAA proceedings at their standard rates or charges; and

- (c) amounts owing for goods or services supplied or to be supplied to Metro 360 that:
 - (i) were incurred during the Proposal Proceedings or pertain to such period; or
 - (ii) pertain to the period prior to the commencement of the Proposal Proceedings if, in the opinion of Metro 360 and with the consent of the Monitor, the supplier of the applicable good or service is critical to the operation or preservation of Metro 360's business.

47. Metro 360's remaining operating businesses require the commitment and support of employees and the continued supply of goods and services from key vendors and service providers during these CCAA proceedings. Metro 360 has maintained long-term relationships with key suppliers and service providers, including certain logistics or supply chain providers which are critical to the operation of Metro 360's remaining business operations. Preserving these services on an uninterrupted basis is essential to maintaining the stability of Metro 360's remaining operations, as discontinuance could have an adverse impact on the operation and value of such businesses and the development and implementation of a value maximizing restructuring plan.

- (i) *KERP*

48. Metro 360 has been working diligently since the closing of the TNG Transaction to wind-down the Literature Business, including to facilitate the return and processing of unsold

Literature Business inventory and to collect outstanding accounts receivable related to the Literature Business.

49. In an effort to ensure that Metro 360 employees who are integral to the wind-down of the Literature Business continue their employment with Metro 360 in the circumstances, Metro 360, in consultation with the Proposal Trustee, has developed a key employee retention program (the “**KERP**”) for three key employees in the receivable and accounting groups (the “**KERP Participants**”) whose continued efforts with respect to the collection of accounts receivable and the overseeing of the return and processing of unsold Literature Business, are expected to maximize recoveries for the benefit of Metro 360’s creditors.

50. Pursuant to the terms of the KERP, and subject to Metro 360 obtaining Court approval of the KERP, each of the KERP Participants would be entitled to receive a specified amount (the “**KERP Payment**”) in one lump sum installment with payment of their final pay following September 30, 2020 (the “**Termination Date**”). In each case, the KERP Payment would be in full and final satisfaction of any and all claims the KERP Participant might have had for severance or termination pay under statute or common law. In addition, each KERP Participant would be entitled to receive their wages to the end of their employment and, consistent with the treatment of other employees, would be entitled to file a claim for their unused vacation pay. As a condition to receiving this treatment, each KERP Participant had to sign a form of letter agreement, acknowledging these and other terms, and deliver a signed release of Metro 360 from all other claims related to their employment. In addition, a KERP Participant forfeits their entitlement to the KERP Payment if, among other things, they resign or their employment is terminated with cause prior to the Termination Date.

51. The KERP Participants have been and will continue to be essential to the success of the wind-down of the Literature Business, and in particular, the collection of outstanding accounts receivable related to the Literature Business and the accounting of significant amounts returned Literature Business inventory. Their continued commitment is key to Metro 360's efforts in this regard, and is expected to have a direct and substantial effect on enhancing creditor recoveries. The KERP Participants are long term employees of Metro 360 and their experience and expertise cannot be easily replicated or replaced within a reasonable period of time.

52. I understand that the letter agreements for each of the KERP Participants which set out the terms of the KERP will be included in a confidential appendix to the Second Report.⁴ If approved by the Court, the maximum amount of KERP Payments pursuant to the KERP is approximately \$180,000. It is contemplated that amounts owing under the KERP would be secured by a court-ordered charge (the "**KERP Charge**") in the amount of \$180,000 over the assets, property and undertaking of Metro 360.

(ii) Proposed Monitor

53. It is proposed that KSV, who was appointed as the Proposal Trustee in the Proposal Proceedings, will act as monitor in the CCAA proceedings (in such capacity, the "**Monitor**") if the proposed Initial Order is granted. KSV has consented to act as the Court-appointed Monitor in the proposed CCAA proceedings. A copy of KSV's consent is attached to this affidavit as Exhibit "T".

54. KSV became involved with Metro 360 in early March 2020 and was appointed as the Proposal Trustee in the Proposal Proceedings. The professionals of KSV who will have carriage over KSV's involvement in the CCAA proceedings as Monitor are the same as those who were involved in the Proposal Proceedings in KSV's role as Proposal Trustee, and therefore have knowledge of Metro 360, its operating businesses and investments, its financial circumstances and its restructuring efforts to date. I believe that KSV is in the best position to continue to assist Metro 360's restructuring efforts as Monitor in the proposed CCAA proceedings.

(iii) Administration Charge

55. Pursuant to the Procedure Order, this Court granted a charge (the "**Proposal Administration Charge**") in favour of the Proposal Trustee, legal counsel to the Proposal Trustee, and Goodmans, as legal counsel to Metro 360 and the Partners, in an aggregate amount not to exceed \$300,000, securing the fees and reasonable disbursements of these parties. The Proposal Administration Charge ranked ahead of all Encumbrances (as defined in the Procedure Order) in favour of any creditors of the Partners or Metro 360.

56. Pursuant to the proposed Initial Order, the Partners are requesting that this Court continue the Proposal Administration Charge in the CCAA proceedings with the same priority as set out in the Procedure Order. For greater certainty, the proposed Initial Order provides that the Monitor, counsel to the Monitor and Goodmans will be entitled to the benefit of the Proposal Administration Charge as security for their professional fees and disbursements incurred in

⁴ Metro 360 is requesting that this confidential appendix be sealed as it contains private and confidential personal compensation information regarding the KERP Participants who have a reasonable expectation that their personal compensation information will not be publicly disclosed. In addition, disclosure of the specific KERP details could be harmful to Metro 360's commercial interests.

connection with services rendered both before and after the commencement of the CCAA proceedings.

57. It is contemplated that each of the aforementioned parties: (i) will have extensive involvement during the CCAA proceedings; (ii) have contributed and will continue to contribute to the restructuring of Metro 360; and (iii) will ensure that there is no unnecessary duplication of roles among the parties.

58. I understand that the Proposal Trustee is of the view that it is reasonable and appropriate in the circumstances to continue the Proposal Administration Charge in the CCAA proceedings.

(iv) Directors' Charge

59. The directors and officers of the Partners (the “**Directors and Officers**”) have been actively involved in efforts to address the current challenges circumstances facing Metro 360, including efforts with respect to the identification and negotiation of the TNG Transaction, the commencement of the Proposal Proceedings, discussions with key stakeholders regarding the Proposal Proceedings and the sale of the Literature Business, and initial efforts with respect to the development of a value maximizing restructuring plan. The Directors and Officers have been mindful of their duties with respect to their supervision and guidance of Metro 360 in connection with the Proposal Proceedings and the potential continuation thereof under the CCAA pursuant to the proposed Initial Order.

60. It is my understanding, based on advice from counsel, that in certain circumstances, directors and officers can be held personally liable for certain corporate obligations, including in connection with salaries, wages, payroll remittances, vacation pay, harmonized sales taxes, and

certain other corporate obligations. However, the Partners do not maintain an insurance policy to cover the Directors and Officers for liabilities they may incur as directors or officers of the Partners.

61. The Directors and Officers have expressed their desire for certainty with respect to potential personal liability if they continue in their current capacities. The Partners require the active and committed involvement of the Directors and Officers during the CCAA proceedings as they seek to develop and advance a restructuring plan to address Metro 360's current circumstances.

62. Accordingly, the Partners request a Court-ordered charge in the amount of \$300,000 over the assets, properties and undertaking of Metro 360 and the Partners (the "**Directors' Charge**") to secure the indemnity of the Directors and Officers in the Initial Order in respect of obligations and liabilities that they may incur during the CCAA proceedings in their capacities as directors and officers. The amount of the Directors' Charge has been calculated based on the estimated potential exposure of the Directors and Officers, has been reviewed with KSV as the proposed Monitor, and will be detailed in the Second Report.

(v) *Priority of Charges*

63. It is contemplated pursuant to the proposed Initial Order that the priorities of the Proposal Administration Charge, the Directors' Charge and the KERP Charge (collectively, the "**Charges**"), as among them, will be as follows:

- (a) First – the Proposal Administration Charge (up to a maximum amount of \$300,000);

- (b) Second – the Directors’ Charge (up to a maximum of \$300,000); and
- (c) Third – the KERP Charge (up to a maximum of \$180,000).

64. Consistent with the “model order”, the proposed Initial Order provides for the Charges to rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise (collectively, the “**Encumbrances**”) in favour of any person, except for the security interest of any secured creditor of Metro 360 who did not receive notice of this motion. However, I am advised by Goodmans that this motion will be served on every party named in the service list for the Proposal Proceedings, which includes both TD and BNS, the only parties who we believe could have a secured claim in respect of Metro 360 or the Partners, as well as upon representatives of the federal government and the Ontario provincial tax authorities. Accordingly, the Partners and Metro 360 believe that the Charges should have priority over all Encumbrances.

VIII. FUNDING METRO 360 DURING THE INITIAL CCAA PERIOD

65. As indicated in the Cash Flow Forecast to be appended to the Second Report, it is expected that Metro 360 will have sufficient cash resources during the 13-week period following the commencement of the proposed CCAA proceedings to continue to operate and grow its businesses and other investments, work towards completion of the remaining wind-down activities related to the TNG Transaction and the sale of the Literature Business, seek to complete additional value maximizing transactions in respect of the Non-Material Residual Assets, and develop a restructuring plan that can be presented to creditors, among other things.

For all of these reasons, Metro 360 and the Partners are not seeking the approval of any financing arrangements or any charges related thereto.

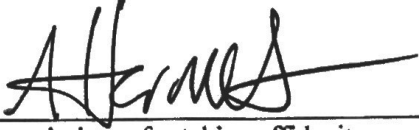
IX. CONCLUSION

66. In spite of the significant challenges facing Metro 360 as a result of the COVID-19 pandemic, Metro 360 has been able to complete the TNG Transaction and significantly reduce amounts outstanding to its trade creditors.

67. While Metro 360 has made significant progress to date in the Proposal Proceedings, Metro 360 requires the flexibility and stability afforded by the CCAA to continue to operate its remaining businesses and complete the wind-down of the Literature Business, including the collection of outstanding accounts receivable and retrieval and return of unsold inventory, and also allow its business investments time to advance and mature. Accordingly, the Partners are requesting that this Court grant the proposed Initial Order to convert and take up the Proposal Proceedings under the CCAA.

68. I believe that the relief sought by the Partners in the proposed Initial Order is in the best interests of Metro 360 and its stakeholders as it will provide Metro 360 with the best opportunity to develop and advance a restructuring plan that will further Metro 360's intention of repaying creditors in full.

SWORN BEFORE ME by two-way
videoconference on June 10, 2020



A Commissioner for taking affidavits
Name:

ANDREW HARMES



Daniel P. Shapiro

**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 957855 ALBERTA LTD. (FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL CORP. IN RESPECT OF METRO 360 GENERAL PARTNERSHIP**

Court File No. CV-20-00642783-00CL

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

**AFFIDAVIT OF DANIEL P. SHAPIRO
(Sworn November 10, 2021)**

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
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Lawyers for 957855 Alberta Ltd. (formerly NewsWest Inc.), Rosebud Creek Financial Corp., and Metro 360 General Partnership

3

Court File No.: CV-20-00642783-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	WEDNESDAY, THE 17 TH
)	
JUSTICE CAVANAGH)	DAY OF NOVEMBER, 2021

**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 957855 ALBERTA LTD. (FORMERLY
NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL
CORP. IN RESPECT OF METRO 360 GENERAL
PARTNERSHIP**

Applicants

MEETING ORDER

THIS MOTION, made by 957855 Alberta Ltd. (formerly NewsWest Inc.) ("**Alberta HoldCo**") and Rosebud Creek Financial Corp. ("**Rosebud HoldCo**" and, together with Alberta HoldCo, the "**Applicants**"), being the partners of the Metro 360 General Partnership ("**Metro 360**" and, together with the Applicants, the "**CCAA Entities**"), for an order, *inter alia*:

- a) accepting the filing of the CCAA Entities' plan of compromise and arrangement pursuant to the CCAA (as it may be amended, modified, varied and/or supplemented in accordance with its terms, the "**Plan**");
- b) authorizing the CCAA Entities to establish one class of Affected Creditors for the purpose of considering and voting on the Plan (the "**Unsecured Creditors' Class**");

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- c) authorizing the CCAA Entities to call, hold and conduct a virtual meeting of the Affected Creditors (the “**Creditors’ Meeting**”) to consider and vote on a resolution to approve the Plan (the “**Resolution**”);
- d) approving the procedures to be followed with respect to the calling and conduct of the Creditors’ Meeting; and
- e) setting the date for the hearing of the CCAA Entities’ motion seeking sanction of the Plan (the “**Sanction Hearing**”),

was heard this day by video conference at Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Daniel P. Shapiro sworn November 10, 2021 (the “**Shapiro Affidavit**”) and the exhibits thereto, and the Sixth Report of KSV Restructuring Inc.,¹ in its capacity as Monitor (the “**Monitor**”) dated November ●, 2021 (the “**Sixth Report**”), and on hearing the submissions of counsel for the CCAA Entities, counsel for the Monitor, and such other counsel as were present, no one else appearing although duly served:

SERVICE

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

¹ Effective August 31, 2020, the name of KSV Kofman Inc. (“**Kofman**”) was changed to KSV Restructuring Inc. (“**Restructuring**”). All Kofman mandates are now being performed by Restructuring.

DEFINITIONS

2. **THIS COURT ORDERS** that any capitalized terms used and not otherwise defined herein shall have the meaning ascribed thereto in the Plan in the form attached as Exhibit “A” to the Shapiro Affidavit.

MONITOR’S ROLE

3. **THIS COURT ORDERS** that, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Initial Order granted in these proceedings dated June 17, 2020 (as amended, the “**Initial Order**”) and the Claims Procedure Order granted in these proceedings dated September 16, 2020 (the “**Claims Procedure Order**”), the Monitor is hereby authorized, directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Order or incidental thereto.

4. **THIS COURT ORDERS** that, in carrying out the terms of this Order, the Monitor: (a) shall have all the protections given to it by the CCAA, the Initial Order, the Claims Procedure Order, this Order, and any other Orders of the Court in these CCAA Proceedings, and as an officer of the Court, including the stay of proceedings in its favour; (b) shall incur no liability or obligation as a result of carrying out the provisions of this Order, other than in respect of any gross negligence or wilful misconduct on its part; (c) shall be entitled to rely on the books and records of the CCAA Entities and any information provided by the CCAA Entities without independent investigation; (d) shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information; and (e) may seek such assistance as may be reasonably required to carry out its duties and obligations pursuant to this Order from the CCAA Entities or any of their affiliated companies.

PLAN OF COMPROMISE AND ARRANGEMENT

5. **THIS COURT ORDERS** that the Plan be and is hereby accepted for filing with the Court, and that the CCAA Entities are authorized to seek approval of the Plan by the Affected Creditors holding Voting Claims or Disputed Claims in the manner set forth herein.

6. **THIS COURT ORDERS** that the CCAA Entities be and are hereby authorized, with the consent of the Monitor, to amend, modify, vary and/or supplement the Plan pursuant to the terms thereof (each a “**Plan Modification**”) at any time prior to the Creditors’ Meeting, in which case any such Plan Modification shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The CCAA Entities shall give notice of any such Plan Modification at the Creditors’ Meeting prior to the vote being taken to approve the Plan. The CCAA Entities may give notice of any such Plan Modification at or before the Creditors’ Meeting by notice which shall be sufficient if, in the case of notice at the Creditors’ Meeting, such notice is given to those Affected Creditors present (or deemed present) at such meeting in person or by Proxy and, in the case of notice before the Creditors’ Meeting, such notice is provided to those Persons listed on the service list in these CCAA Proceedings (as amended from time to time, the “**Service List**”). The Monitor shall forthwith post on its website established in respect of these CCAA Proceedings (the “**Monitor’s Website**”) any such Plan Modification, with notice of such posting forthwith provided to the Service List.

7. **THIS COURT ORDERS** that, after the Creditors’ Meeting (including after obtaining the Sanction Order), the CCAA Entities may, with the consent of the Monitor, at any time and from time to time effect a Plan Modification either: (a) pursuant to an Order of the Court, or (b) where such Plan Modification concerns a matter which, in the opinion of both the CCAA Entities and the Monitor, is of an administrative nature required to better give effect to the implementation of the

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Plan or to cure any errors, omissions or ambiguities, and in either circumstance (c) is not materially adverse to the financial or economic interests of the Affected Creditors. The Monitor shall forthwith post on the Monitor's Website any such Plan Modification, with notice of such posting forthwith provided to the Service List.

NOTICE OF THE CREDITORS' MEETING

8. **THIS COURT ORDERS** that each of the following, in substantially the forms attached to this Order as Schedule "A", Schedule "B", Schedule "C", Schedule "D", Schedule "E" and Schedule "F", respectively, are hereby approved:

- (a) the electronic meeting protocol (the "**Electronic Meeting Protocol**");
- (b) the form of notice of the Creditors' Meeting and Sanction Hearing (the "**Notice of Meeting**");
- (c) the form of proxy for the Affected Creditors (the "**Proxy**");
- (d) the form of Convenience Class Claim Election (the "**Convenience Class Claim Election**");
- (e) the form of Resolution (collectively, with the forms referred to in (a),(b),(c) and (d) above, the "**Information Package**"); and
- (f) the notice to Affected Creditors referred to in Paragraph 12.

9. **THIS COURT ORDERS** that the CCAA Entities may from time to time make such changes to the documents in the Information Package as the CCAA Entities, in consultation with the Monitor, consider necessary or desirable or to conform the content thereof to the terms of the

Plan (including any amendments, restatements, modifications or supplements thereto), this Order or any further Orders of the Court.

10. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall cause a copy of the Information Package (and any amendments made thereto in accordance with paragraph 9 hereof), the Plan and this Order to be posted on the Monitor's Website.

11. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall cause notice of the Creditors' Meeting to be published for one (1) Business Day in *The Globe and Mail* (National Edition) (the "**Newspaper Notice**"). The Newspaper Notice shall include a statement advising that any Affected Creditor wishing to attend the Creditors' Meeting must contact the Monitor to obtain a unique control number and login password (in each case, the "**Credentials**") that will permit the Affected Creditor to access the Creditors' Meeting by electronic means.

12. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall cause to be sent to each Affected Creditor a notice, in substantially the form attached as Schedule "F" hereto, which includes a link to a copy of the Information Package, the Plan, the Sixth Report and the Monitor's Report on the Plan (the "**Plan Assessment Report**"). In each case, the aforementioned notice shall be sent either by e-mail or regular mail to the Affected Creditor's last known e-mail or mailing address which was provided to the CCAA Entities or the Monitor, or as set out in the Affected Creditor's Proof of Claim. For greater certainty, the Notice of Meeting shall include a statement advising that, in order for an Affected Creditor to attend the Creditors' Meeting, the Affected Creditor must contact the Monitor to obtain its Credentials in the manner contemplated by paragraph 20 of this Order.

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13. **THIS COURT ORDERS** that the sending of a copy of the Information Package and information directing Affected Creditors to locate a copy of the Plan, the Sixth Report and the Plan Assessment Report in accordance with paragraph 12 hereof, the publication referred to in paragraph 11 hereof, and the posting of this Order, the Plan and the Information Package on the Monitor's Website in accordance with paragraph 10 hereof, shall constitute good and sufficient service of this Order, the Plan and the Notice of Meeting on all Persons who may be entitled to receive notice thereof, or who may be entitled to be present in person or by Proxy at the Creditors' Meeting or who may have an interest in these proceedings, and no other form of notice or service need be made on such Persons.

14. **THIS COURT ORDERS** that the non-receipt of a copy of the Information Package beyond the reasonable control of the Monitor, or any failure or omission to provide a copy of the Information Package as a result of events beyond the reasonable control of the Monitor, shall not constitute a breach of this Order, and shall not invalidate any resolution passed or proceedings taken at the Creditors' Meeting, but if any such failure or omission is brought to the attention of the Monitor, then the Monitor shall use reasonable efforts to rectify the failure or omission by the method and in the time most reasonably practicable in the circumstances.

CLASSIFICATION OF CREDITORS

15. **THIS COURT ORDERS** that, for the purposes of considering and voting on the Plan, the Affected Creditors shall constitute a single class under the Plan, the "Unsecured Creditors' Class".

CREDITORS' MEETING

16. **THIS COURT ORDERS** that, subject to paragraph 24 hereof, the CCAA Entities are authorized to call, hold and conduct the Creditors' Meeting on December 16, 2021 at 1:00 p.m.

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(Toronto time) by videoconference in accordance with the Electronic Meeting Protocol, for the purpose of considering and voting on, with or without variation, the Resolution to approve the Plan and transacting such other business as may be properly brought before the Creditors' Meeting.

17. **THIS COURT ORDERS** that, subject to paragraph 44 hereof, the only Persons entitled to vote at the Creditors' Meeting in person or by Proxy are Affected Creditors with Voting Claims or Disputed Claims (each an "**Eligible Voting Creditor**").

18. **THIS COURT ORDERS** that the only Persons entitled to receive notice of, to attend or submit questions at the Creditors' Meeting are representatives of the CCAA Entities and their legal counsel and advisors, representatives of the Monitor and its legal counsel, and the Eligible Voting Creditors (or their respective duly appointed proxyholders) and their respective legal counsel and advisors. Any other Person may be admitted to the Creditors' Meeting on invitation of the Chair (as defined below), in consultation with the CCAA Entities.

19. **THIS COURT ORDERS** that an Eligible Voting Creditor that is not an individual may only attend and vote at the Creditors' Meeting if it has appointed a proxyholder to attend and act on its behalf at the Creditors' Meeting.

CONDUCT AND VOTING AT THE CREDITORS' MEETING

20. **THIS COURT ORDERS** that Affected Creditors (or their respective duly appointed proxyholders) intending to attend the Creditors' Meeting must notify the Monitor by email at mtallat@ksvadvisory.com by no later than 5:00 p.m. (Toronto time) on the date that is four (4) Business Days prior to the Creditors' Meeting in order to obtain their Credentials.

21. **THIS COURT ORDERS** that a representative of the Monitor, as designated by the Monitor, shall preside as the chair of the Creditors' Meeting (the "**Chair**") and, subject to this

Order or any further Order of the Court, shall, in consultation with the CCAA Entities, decide all matters relating to the conduct of the Creditors' Meeting.

22. **THIS COURT ORDERS** that a person designated by the Monitor shall act as secretary at the Creditors' Meeting and the Monitor may appoint scrutineers for the supervision and tabulation of the attendance, quorum and votes cast at the Creditors' Meeting (the "**Scrutineers**").

23. **THIS COURT ORDERS** that the quorum required at the Creditors' Meeting shall be one Affected Creditor with a Voting Claim present at the Creditors' Meeting in person or by Proxy. Any Affected Creditors who establish a communications link to the Creditors' Meeting by electronic means, as applicable, shall be deemed to be present in person at the Creditors' Meeting.

24. **THIS COURT ORDERS** that the Creditors' Meeting shall be adjourned to such date, time and place as may be designated by the Chair or the Monitor, in each case in consultation with the CCAA Entities, if:

- (a) the requisite quorum pursuant to paragraph 23 is not present at the Creditors' Meeting; or
- (b) prior to or during the Creditors' Meeting, either the CCAA Entities or the Chair or the Monitor (in consultation with the CCAA Entities) decide to adjourn the Creditors' Meeting in their sole and absolute discretion.

The CCAA Entities shall not be required to first convene the Creditors' Meeting in order to adjourn or postpone the Creditors' Meeting. Written notice of any adjournment or postponement to the Service List and, if the adjournment is made during the Creditors' Meeting, announcement by the Chair of any such adjournment at the Creditors' Meeting shall constitute sufficient notice of the adjournment or postponement and neither the

CCAA Entities nor the Monitor shall have any obligation to give any other or further notice to any Person of the adjourned or postponed Creditors' Meeting.

25. **THIS COURT ORDERS** that the Chair shall direct a vote at the Creditors' Meeting, by such means as the Chair, in consultation with the CCAA Entities, may consider appropriate, with respect to: (a) the Resolution to approve the Plan and any amendments, modifications, variations and/or supplements thereto made in accordance with the Plan and this Order; and (b) any other resolutions as the Chair, in consultation with the CCAA Entities, may consider appropriate.

26. **THIS COURT ORDERS** that, following the votes at the Creditors' Meeting, the Scrutineers shall tabulate the votes in the Unsecured Creditors' Class and the Monitor shall determine whether the Plan has been accepted by the majorities of that Unsecured Creditors' Class required pursuant to section 6 of the CCAA (the "**Required Majority**"), in accordance with the Electronic Meeting Protocol.

27. **THIS COURT ORDERS** that any other matter submitted to be decided at the Creditors' Meeting shall be decided by a vote of a majority in value of the Affected Creditors with Voting Claims cast in accordance with the Electronic Meeting Protocol.

28. **THIS COURT ORDERS** that the Monitor shall file a report with this Court after the Creditors' Meeting or any adjournment thereof, as applicable, with respect to the results of the votes at the Creditors' Meeting, including whether the Plan has been accepted by the Required Majorities.

29. **THIS COURT ORDERS** that a copy of the Monitor's report regarding the votes at the Creditors' Meeting shall be posted on the Monitor's Website prior to the Sanction Hearing.

30. **THIS COURT ORDERS** that the result of any vote conducted at the Creditors' Meeting shall be binding upon all Affected Creditors, whether or not any such Affected Creditor was present (in person or by Proxy) or voted at the Creditors' Meeting.

VOTING BY PROXY

31. **THIS COURT ORDERS** that any Proxy in respect of the Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) must be: (a) received by the Monitor to the attention of Murtaza Tallat (mtallat@ksvadvisory.com) by 5:00 p.m. (Toronto time) at least three (3) Business Days prior to the Creditors' Meeting (the "**Election/Proxy Deadline**"); and (b) in substantially the form attached to this Order as Schedule "B" or in such other form as may be acceptable to the Monitor or the Chair in consultation with the CCAA Entities. The Monitor and the CCAA Entities are hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any Proxy is completed and executed, and may waive strict compliance with the requirements in connection with the deadlines imposed in connection therewith. Any Proxies validly delivered in connection with the Creditors' Meeting shall be accepted as Proxies in respect of any adjourned or postponed Creditors' Meeting.

32. **THIS COURT ORDERS** that, for the purpose of tabulating the votes cast on any matter that may properly come before the Creditors' Meeting, the Chair shall be entitled to rely on any vote cast by a holder of a Proxy that has been duly submitted to the Monitor in the manner set forth in this Order without independent investigation.

33. **THIS COURT ORDERS** that paragraphs 31 and 32, and the instructions contained in the Proxy, shall govern the submission of Proxies and any deficiencies in respect of the form or substance of such Proxies filed with the Monitor.

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34. **THIS COURT ORDERS** that, in the absence of instruction to vote for or against the approval of the Resolution in a duly signed and returned Proxy, the Proxy shall be deemed to include instructions to vote for the approval of the Resolution, provided the Proxy holder does not otherwise exercise its right to vote at the Creditors' Meeting.

35. **THIS COURT ORDERS** that, for the purposes of voting at the Creditors' Meeting, each Affected Creditor with a Voting Claim or a Disputed Claim shall be entitled to one vote as a member of the Unsecured Creditors' Class. Any Person that does not have a Voting Claim or a Disputed Claim shall not be entitled to vote at the Creditors' Meeting.

36. **THIS COURT ORDERS** that, for the purposes of voting at the Creditors' Meeting, the value of a vote cast by any Affected Creditor shall be deemed equal to their Voting Claim as determined in accordance with the Claims Procedure Order.

37. **THIS COURT ORDERS** that each Convenience Class Creditor shall be deemed to have voted in favour of the Resolution to approve the Plan.

38. **THIS COURT ORDERS** that an Affected Creditor's Voting Claim shall not include fractional numbers and Voting Claims shall be rounded down to the nearest whole Canadian dollar amount.

DISPUTED CLAIMS

39. **THIS COURT ORDERS** that, in the event that an Affected Creditor holds a Claim that is a Disputed Claim as at the date of the Creditors' Meeting, such Creditor may attend the Creditors' Meeting and such Disputed Claim may be voted at the Creditors' Meeting by such Creditor (or its duly appointed proxyholder), without prejudice to the rights of the CCAA Entities, the Monitor or the holder of the Disputed Claim with respect to the final determination of the

Claim for distribution purposes. The dollar value of a Disputed Claim for voting purposes at the Creditors' meeting shall be the dollar value of such Disputed Claim as accepted by the Monitor for voting purposes.

40. **THIS COURT ORDERS** that the Monitor shall keep a separate record of votes cast by Affected Creditors holding Disputed Claims. The votes cast in respect of any Disputed Claim shall not be counted for any purpose, unless, until and only to the extent that such Disputed Claim is finally determined to be a Voting Claim in accordance with the Claims Procedure Order.

CONVENIENCE CLASS CLAIM ELECTION

41. **THIS COURT ORDERS** that any Affected Creditor with one or more Proven Claims in an amount in excess of the Cash Election Amount shall be entitled to elect to receive only the Cash Election Amount and be deemed to vote in favour of the Plan in accordance with paragraph 37 of this Order hereof by returning an executed Convenience Class Claim Election to the Monitor prior to the Election/Proxy Deadline.

42. **THIS COURT ORDERS** that any Affected Creditor with one or more Proven Claims in an amount not exceeding the Cash Election Amount shall not be permitted or required to make an election in the Convenience Class Claim Election and shall receive an amount equal to the actual amount of such Proven Claim as a Convenience Class Creditor in full satisfaction of such Proven Claims and any Convenience Class Claim Election submitted by any such Convenience Class Creditor shall be deemed null and void.

43. **THIS COURT ORDERS** that the value of a Convenience Class Creditor's Affected Claim for voting purposes is the actual amount of such Proven Claim.

TRANSFERS OR ASSIGNMENTS OF CLAIMS

44. **THIS COURT ORDERS** that, subject to any restrictions contained in Applicable Laws or any contractual arrangement with any of the CCAA Entities, an Affected Creditor (other than a Convenience Class Creditor) may transfer or assign the whole of its Affected Claim prior to the Creditors' Meeting. If, subject to any restrictions contained in Applicable Laws or any contractual arrangement with any of the CCAA Entities, an Affected Creditor transfers or assigns the whole of an Affected Claim to another Person, such transferee or assignee shall not be entitled to attend and vote the transferred or assigned Affected Claim at the Creditors' Meeting unless (a) the assigned Affected Claim is a Voting Claim or Disputed Claim, or a combination thereof, and (b) satisfactory notice of and proof of transfer or assignment has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. (Toronto time) on the date that is seven (7) days prior to the date of the Creditors' Meeting, failing which the original transferor shall have all applicable rights as the "Affected Creditor" with respect to such Affected Claim as if no transfer or assignment of the Affected Claim had occurred. Following proper transfer or assignment of an Affected Claim pursuant to (a) and (b) above, the transferee or assignee shall thereafter, for all purposes, be bound by any and all notices previously given to the transferor or assignor and steps taken in respect of such Claim. Such transferee or assignee shall not be entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such transferee or assignee to any of the CCAA Entities. For greater certainty, the Monitor and the CCAA Entities shall not recognize partial transfers or assignments of Affected Claims, under any provision of this Order or the Plan.

45. **THIS COURT ORDERS** that, subject to any restrictions contained in Applicable Laws or any contractual arrangement with any of the CCAA Entities, an Affected Creditor may transfer

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or assign the whole of its an Affected Claim after the Creditors' Meeting provided that neither the CCAA Entities nor the Monitor shall be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment and such other documentation as the Monitor may reasonably require, has been received and acknowledged by the Monitor in writing, failing which the original transferor shall have all applicable rights as the "Affected Creditor" with respect to such Affected Claim as if no transfer of the Affected Claim had occurred. After the receipt and acknowledgement by the Monitor of satisfactory evidence of such transfer or assignment, such transferee or assignee shall constitute the Affected Creditor in respect of the transferred or assigned Affected Claim and shall be bound by notices given and steps taken in respect of such Affected Claim. Such transferee or assignee shall not be entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such transferee or assignee to any of the CCAA Entities.

SANCTION HEARING

46. **THIS COURT ORDERS** that, if the Plan has been approved by the Required Majority of the Unsecured Creditors' Class at the Creditors' Meeting, the CCAA Entities are authorized to bring a motion seeking the Sanction Order on ●, 202●, or such other date as may be set by the Court.

47. **THIS COURT ORDERS** that the posting of this Order on the Monitor's Website, the sending of the Notice of Meeting pursuant to paragraphs 10 and 12 hereof, and the service of a copy of this Order on the parties on the Service List shall constitute good and sufficient service of

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notice of the Sanction Hearing upon all Persons who may be entitled to receive such service, and no other form of service or notice need be made on such Persons in respect of the Sanction Hearing.

48. **THIS COURT ORDERS** that any Person (other than the CCAA Entities, the Monitor, and the Affected Creditors) wishing to receive materials and appear at the Sanction Hearing shall serve upon the lawyers for each of the CCAA Entities, the Monitor and all other parties on the Service List and file with this Court a Notice of Appearance by no later than 5:00 p.m. (Toronto time) on the date that is at least seven (7) days before the date set for the Sanction Hearing, or such other date determined by the Monitor in consultation with the CCAA Entities.

49. **THIS COURT ORDERS** that any Person who wishes to oppose the motion for the Sanction Order shall serve upon the lawyers for each of the CCAA Entities and the Monitor and upon all other parties on the Service List, and file with this Court, a copy of the materials to be used to oppose the motion for the Sanction Order by no later than 5:00 p.m. (Toronto time) on the date that is at least four (4) days before the date set for the Sanction Hearing, or such later date as may be determined by the Monitor in consultation with the CCAA Entities.

50. **THIS COURT ORDERS** that the CCAA Entities are authorized to adjourn the Sanction Hearing, and if the Sanction Hearing is adjourned, only those Persons who are listed on the Service List (including those Persons who have complied with paragraph 48 of this Order) shall be served with notice of the adjourned date of the Sanction Hearing.

GENERAL

51. **THIS COURT ORDERS** that the CCAA Entities and the Monitor may, in their discretion, generally or in individual circumstances, waive the time limits imposed on any Affected Creditor under this Order if the CCAA Entities and the Monitor deem it advisable to do so, without

prejudice to the requirement that all other Affected Creditors must comply with the terms of this Order.

52. **THIS COURT ORDERS** that any notice or other communication to be given pursuant to this Order by or on behalf of any Person to the CCAA Entities and/or the Monitor shall be in writing and will be sufficiently given only if by mail, courier, e-mail or hand-delivery addressed to:

The CCAA Entities' counsel: Goodmans LLP
 Bay Adelaide Centre – West Tower
 333 Bay Street, Suite 3400
 Toronto, Ontario M5H 2S7

Attention: L. Joseph Latham / Andrew Harmes
 Email: jlatham@goodmans.ca / aharmes@goodmans.ca

The Monitor: KSV Restructuring Inc., Court-appointed CCAA Monitor of 957855 Alberta Ltd. (formerly NewsWest Inc.) and Rosebud Creek Financial Corp., in respect of Metro 360 General Partnership
 150 King Street West, Suite 2308
 Toronto, Ontario M5H 1J9

Attention: David Sieradzki / Murtaza Tallat
 Email: dsieradzki@ksvadvisory.com / mtallat@ksvadvisory.com

With a copy (which shall not constitute notice) to the Monitor's counsel:

Bennett Jones LLP
 3400 One First Canadian Place
 P.O. Box 130
 Toronto, ON M5X 1A4

Attention: Sean Zweig / Danish Afroz
 Email: zweigs@bennettjones.com / afrozd@bennettjones.com

53. **THIS COURT ORDERS** that, for all purposes under this Order, any such notice or other communication shall be deemed to have been received: (a) if sent by prepaid ordinary mail or registered mail, on the third Business Day after mailing in Ontario, the fifth Business Day after

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mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (b) if sent by courier or personal delivery, on the next Business Day following dispatch; and (c) if delivered by e-mail by 5:00 p.m. on a Business Day, on such Business Day, and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

54. **THIS COURT ORDERS** that, notwithstanding any provision herein to the contrary, the Monitor and the CCAA Entities shall be entitled to rely upon any communication given pursuant to this Order (including any delivery of Proxies).

55. **THIS COURT ORDERS** that any reference to time herein shall mean prevailing local time in Toronto, Ontario, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated.

56. **THIS COURT ORDERS** that, if any deadline set out in this Order falls on a day other than a Business Day, the deadline shall be extended to the next Business Day.

57. **THIS COURT ORDERS** that the CCAA Entities or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Order, or for advice and directions concerning the discharge of their respective powers and duties under this Order or the interpretation or application of this Order.

58. **THIS COURT ORDERS** that subject to any further Order of this Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this Order, the terms, conditions and provisions of the Plan shall govern and be paramount, and any such provision of this Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

RECOGNITION

59. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States or in any other foreign jurisdiction, to give effect to this Order and to assist the CCAA Entities, 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 CCAA Entities 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 CCAA Entities and the Monitor and their respective agents in carrying out the terms of this Order.

SCHEDULE “A”

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 957855 ALBERTA LTD. (FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL CORP. IN RESPECT OF METRO 360 GENERAL PARTNERSHIP

ELECTRONIC MEETING PROTOCOL

TAKE NOTICE that on April 6, 2020, 957855 Alberta Ltd. (formerly NewsWest Inc.) and Rosebud Creek Financial Corp., as the partners of Metro 360 General Partnership (collectively, the “**CCAA Entities**”), filed notices of intention to make a proposal under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended, in order to initiate proceedings (the “**Proposal Proceedings**”) to implement the sale of the book, magazine and newspaper wholesale distribution business carried on by Metro 360 General Partnership. On June 17, 2020, by Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), the Proposal Proceedings were taken up and continued under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).

As part of the CCAA proceedings, the CCAA Entities filed a plan of compromise and arrangement (as may be amended, restated, modified or supplemented from time to time, the “**Plan**”) under the CCAA and on November 1, 2021 obtained an Order of the Court (the “**Meeting Order**”) authorizing the CCAA Entities to convene, hold and conduct a meeting of creditors (the “**Creditors’ Meeting**”) to consider and vote upon the Plan. Capitalized terms not otherwise defined herein have the meaning given to them in the Plan or in the Order granted by the Court on September 16, 2020 (the “**Claims Procedure Order**”), as applicable.

The Creditors’ Meeting will be held virtually utilizing the LUMI Global Canada (“**LUMI**”) platform on Thursday, December 16, 2021 (the “**Meeting Date**”) at 1:00 p.m. (Toronto time) by videoconference accessible via the LUMI platform. Only Affected Creditors who have advised the Monitor that they intend to attend the Creditors’ Meeting in accordance with paragraph 3 below, **by 5:00 p.m. on Friday, December 10, 2021** will be provided with the passcode and instructions to participate in the Creditors’ Meeting.

TECHNOLOGY AND MEETING ETIQUETTE:

1. The joining instructions for the LUMI meeting platform and your unique LUMI control number and login password (“**LUMI Credentials**”) will be distributed by the Monitor prior to the Creditors’ Meeting in accordance with section 5 below. Attending participants are required to learn the LUMI software prior to the Creditors’ Meeting. On the day of the Creditors’ Meeting, LUMI will have a representative available prior to the Creditors’ Meeting, as well as during the Creditors’ Meeting to answer questions concerning the LUMI platform and technology.

2. During the Creditors' Meeting, Affected Creditors will be required to leave their microphone on mute until recognized by the Chair. The procedure for asking questions during the meeting is set out in paragraphs 13 to 17 of this protocol.

PRE-MEETING REQUIREMENTS:

3. **Notice of Intention to Attend:** Parties intending to attend the Creditors' Meeting (whether or not they have delivered a Proxy or a Convenience Class Claim Election) shall notify the Monitor to the attention of Murtaza Tallat at mtallat@ksvadvisory.com by 5:00 p.m. (Toronto time) at least four (4) Business Days preceding the Meeting Date (i.e.: **Friday, December 10, 2021**). The Monitor will provide you with email confirmation of receipt. If you have not received a confirmation of receipt by 5:00 p.m. (Toronto time) three (3) Business Days immediately preceding the Meeting Date (i.e.: **Monday, December 13, 2021**), it is your responsibility to follow up with the Monitor by sending an email to: Murtaza Tallat at mtallat@ksvadvisory.com and David Sieradzki at dsieradzki@ksvadvisory.com.
4. **Election/Proxy cut-off:**
 - (a) Any Affected Creditor who is unable to attend the Creditors' Meeting may vote by Proxy, subject to the terms of the Meeting Order. Any Affected Creditor who is not an individual may only attend and vote at the Creditors' Meeting if a proxyholder has been appointed to act on its behalf at the Creditors' Meeting. All Proxies to be deposited with the Chair in accordance with the Meeting Order must be received by the Monitor to the attention of Murtaza Tallat at mtallat@ksvadvisory.com by 5:00 p.m. (Toronto time) at least three (3) Business Days preceding the Meeting Date (i.e.: **Monday, December 13, 2021**) (the "Election/Proxy Deadline"). The Monitor will provide you with confirmation of receipt by email. If you have not received a confirmation of receipt of your Proxy by 5:00 p.m. (Toronto time) one (1) Business Days immediately preceding the Meeting Date (i.e.: **Wednesday, December 15, 2021**), it is your responsibility to follow up with the Monitor by email to: Murtaza Tallat at mtallat@ksvadvisory.com and David Sieradzki at dsieradzki@ksvadvisory.com.
 - (b) Affected Creditors with one or more Proven Claims in an amount less than or equal to CA\$2,500 in the aggregate (in each case, a "Convenience Class Creditor") will be deemed to vote in favour of the Plan and under the Plan will receive an amount equal to the actual amount of their Proven Claim in full satisfaction of such Proven Claim. Affected Creditors with one or more Proven Claims in an amount in excess of CA\$2,500 may file a Convenience Class Claim Election pursuant to which they elect to be treated as a Convenience Class Creditor and receive only the Cash Election Amount of CA\$2,500 and shall be deemed thereby to vote in favour of the Plan. A Convenience Class Claim Election must be received by the Monitor to the attention of Murtaza Tallat at mtallat@ksvadvisory.com by the Election/Proxy Deadline. The Monitor will provide you with confirmation of receipt by email. If you have not received a confirmation of receipt of your Convenience Class Claim Election by 5:00 p.m. (Toronto time) one (1) Business Days immediately preceding the Meeting Date (i.e.: **Wednesday, December 15, 2021**), it is your responsibility

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to follow up with the Monitor by email to: Murtaza Tallat at mtallat@ksvadvisory.com and David Sieradzki at dsieradzki@ksvadvisory.com.

5. Upon advising Murtaza Tallat of the Monitor of your intention to attend the Creditors' Meeting in accordance with paragraph 3 above, you will receive from Mr. Tallat by email: (a) your unique LUMI Credentials; (b) a link to the Creditors' Meeting; (c) meeting instructions, including how to log into the Creditors' Meeting on the LUMI platform, how to cast your vote on the Plan or any motions made during the Creditors' Meeting, how to ask questions during the Creditors' Meeting; and how to navigate the LUMI Creditors' Meeting platform generally; (d) a proposed agenda for the Creditors' Meeting; and (e) any updated or additional information relevant to the Creditors' Meeting or the Plan, as determined by the Monitor.
6. If you have received a Termination Claim Statement and you did not dispute the amount of your claim or your claim was not contested, the amount of your claim set out in the Termination Claim Statement shall be the value of your Proven Claim for voting purposes. Disputed Claims that have been resolved and Proofs of Claim that have been accepted by the Monitor shall vote their claims in the amount of their Proven Claim.
7. The vote in respect of any unresolved Disputed Claim (each a "**Disputed Claim Vote**") shall have the value ascribed by the Monitor, if any, for voting purposes. The Monitor shall keep a separate record of each Disputed Claim Vote submitted. No Disputed Claim Vote shall be counted for any purpose unless, until, and only to the extent that such Disputed Claim is finally determined to be a Proven Claim (accepted by the Monitor or determined by the Court) in accordance with the Claims Procedure Order.

CONDUCT AT THE CREDITORS' MEETING

Registration

8. The Creditors' Meeting will be open no later than 12:30 p.m. (Toronto time) so that the registration process can be completed in a timely fashion and not delay the commencement of the Creditors' Meeting. The Creditors' Meeting will begin promptly at 1:00 p.m. (Toronto time).

Calling the Creditors' Meeting to Order

9. The Monitor will appoint scrutineers for the supervision and tabulation of the attendance, quorum and votes cast at the Creditors' Meeting (the "**Scrutineers**"). Representatives of LUMI may be appointed as the Scrutineers. The Scrutineers shall maintain a list of all attendees at the Creditors' Meeting.
10. When a procedural motion is called for by the Chair, at its own instance, or based on a request for a motion by an Affected Creditor, the Chair will request from the general population of Affected Creditors in attendance at the Creditors' Meeting:
 - (a) a seconder of the motion;

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- (b) a call for a vote on the motion utilizing the LUMI platform voting function, by way of ordinary resolution (i.e., by headcount without regard to dollar value); and
 - (c) the Chair may invoke such other motion voting processes and procedures as it deems appropriate in the circumstances.
11. The vote of Affected Creditors in the Unsecured Creditors' Class required to pass a resolution to approve the Plan will be conducted using the LUMI platform voting function (when activated by the Scrutineer) and shall be decided by the affirmative vote of at least: (i) a majority in number of Affected Creditors voting on the motion; and (ii) representing at least 66.67% in value of all Affected Claims voting on the motion (pursuant to section 6 of the CCAA and section 3.6 of the Plan) (i.e., the "**Required Majority**").
12. In all instances, and in respect of all motions and votes, the Chair is authorized to accept ballots and/or votes electronically, by a show of hands, or by such other means as the Chair deems sufficient in the circumstances, and is authorized to modify the procedures set out in this Electronic Meeting Protocol as may be necessary to more efficiently conduct the Creditors' Meeting.

Questions at the Creditors' Meeting

13. The LUMI platform includes a Q&A feature that allows you to submit questions to the Chair electronically. For the purposes of asking questions at the Creditors' Meeting, please use the LUMI Q&A feature.
14. To the extent possible, the Chair will recognize your interest in asking a question in the following priority:
- (a) those that have submitted requests via the LUMI Q&A feature in the order asked; and
 - (b) those that are unable to register on the LUMI Q&A feature, via a general call for oral questions.
15. Once recognized by the Chair, and before asking your oral question, please state:
- (a) your name; and
 - (b) the Affected Creditor you represent, if applicable.
16. For clarity, you will not be permitted to ask a question orally, or to speak at the Creditors' Meeting unless and until you have been recognized by the Chair.
17. At all times during the Creditors' Meeting the Chair shall be entitled to mute or terminate the participation of any disruptive attendee.

POST-MEETING REPORTING

18. The Monitor shall, following the Creditors' Meeting, provide a report that includes:

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- (a) a summary of all motions called at the Creditors' Meeting;
- (b) the Scrutineer's report(s) on the result of the votes on each motion, including the motion to vote on the Plan; and
- (c) such further and other information as determined by the Monitor to be necessary.

19. The report will be available on the Monitor's Website at: <https://www.ksvadvisory.com/insolvency-cases/case/metro360>.

A copy of all Orders of the Court, Plan documents, forms and other pertinent materials in the CCAA proceedings can be obtained by contacting Murtaza Tallat at mtallat@ksvadvisory.com or David Sieradzki at dsieradzki@ksvadvisory.com or by visiting the Monitor's Website at: <https://www.ksvadvisory.com/insolvency-cases/case/metro360>.

KSV Restructuring Inc.

In its capacity as Court-appointed CCAA Monitor of 957855 Alberta Ltd. (formerly NewsWest Inc.) and Rosebud Creek Financial Corp., in respect of Metro 360 General Partnership, and not in its personal or corporate capacity

SCHEDULE “B”

**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 957855 ALBERTA LTD. (FORMERLY
NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL
CORP. IN RESPECT OF METRO 360 GENERAL
PARTNERSHIP**

NOTICE OF MEETING OF CREDITORS

TO: The Affected Creditors of 957855 Alberta Ltd. (formerly NewsWest Inc.), Rosebud Creek Financial Corp. and Metro 360 General Partnership

PLEASE TAKE NOTICE that on April 6, 2020, 957855 Alberta Ltd. (formerly NewsWest Inc.) and Rosebud Creek Financial Corp., as the partners of Metro 360 General Partnership (collectively, the “**CCAA Entities**”), filed notices of intention to make a proposal under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended, in order to initiate proceedings (the “**Proposal Proceedings**”) to implement the sale of the book, magazine and newspaper wholesale distribution business carried on by Metro 360 General Partnership. On June 17, 2020, pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), the Proposal Proceedings were taken up and continued under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The Initial Order appointed KSV Restructuring Inc. as the monitor of the CCAA Entities (in such capacity, the “**Monitor**”).

As part of the CCAA proceedings, the CCAA Entities filed a plan of compromise and arrangement (as may be amended, restated, modified or supplemented from time to time, the “**Plan**”) under the CCAA and on November 10, 2021 obtained an Order of the Court (the “**Meeting Order**”) authorizing the CCAA Entities to convene, hold and conduct a meeting of creditors (the “**Creditors’ Meeting**”) to consider and vote upon the Plan.

The Creditors’ Meeting will take place at 1:00 p.m. (Toronto time) on December 16, 2021. Creditors’ Meeting will be held virtually and will be chaired by the Monitor.

Parties intending to attend the Creditors’ Meeting are required to notify the Monitor to the attention of Murtaza Tallat at mtallat@ksvadvisory.com by 5:00 p.m. (Toronto time) at least four (4) Business Days preceding the Meeting Date (i.e.: **Friday, December 10, 2021**) in order to obtain a unique control number and login password to access the Creditors’ Meeting by electronic means.

Affected Creditors with one or more Proven Claims in an amount less than or equal to CA\$2,500 in the aggregate (in each case, a “**Convenience Class Creditor**”) will be deemed to vote in favour of the Plan. Affected Creditors with one or more Proven Claims in an amount in excess of CA\$2,500 may file a Convenience Class Claim Election pursuant to which such Affected Creditor may elect to be treated as a Convenience Class Creditor and receive only the Cash Election Amount of CA\$2,500

and shall be deemed thereby to vote in favour of the Plan. A Convenience Class Claim Election must be received by the Monitor to the attention of Murtaza Tallat at mtallat@ksv advisory.com by 5:00 p.m. (Toronto time) at least three (3) Business Days preceding the Meeting Date (i.e.: **Monday, December 13, 2021**) (the “**Election/Proxy Deadline**”).

Any Affected Creditor who is unable to attend the Creditors’ Meeting may vote by proxy, subject to the terms of the Meeting Order. Any Affected Creditor who is not an individual may only attend and vote at the Creditors’ Meeting if a proxyholder has been appointed to act on its behalf at the Creditors’ Meeting. In order to be effective, proxies must be received by the Monitor to the attention of Murtaza Tallat at mtallat@ksv advisory.com by the Election/Proxy Deadline.

In order for the Plan to be approved and binding in accordance with the CCAA, the Plan must be approved by a majority in number of Affected Creditors who represent at least two-thirds in value of the Voting Claims of such Affected Creditors who actually vote on the Plan (in person or by Proxy) at the Creditors’ Meeting or who are deemed to vote on the Plan in accordance with the Plan and the Meeting Order (the “**Required Majority of Creditors**”).

NOTICE IS ALSO HEREBY GIVEN that if the Plan is approved at the Creditors’ Meeting by the Required Majority of Creditors, the CCAA Entities intend to make a motion to the Court seeking an order sanctioning the Plan pursuant to the CCAA (the “**Sanction Order**”) returnable on ●, 202●, or such other date as may be set by the Court. Any person wishing to oppose the motion for the Sanction Order must serve a copy of the materials to be used to oppose the motion and setting out the basis for such opposition upon the lawyers for the CCAA Entities and the Monitor as well as those parties listed on the service list in the CCAA proceedings (which is posted on the Monitor’s Website). Such materials must be served **by no later than 5:00 p.m.** (Toronto time) on the date that is at least four (4) days before the date set for the Sanction Hearing (i.e.: **[Day], ●, 202●**), or such other date determined by the Monitor in consultation with the CCAA Entities.

Further details regarding the Creditors’ Meeting, including copies of the Meeting Order, the Plan, the Electronic Meeting Protocol for the virtual Creditors’ Meeting, the form of Proxy to be used for the purpose of voting on the Plan and the Convenience Class Claim Election form are all available on the Monitor’s website: <https://www.ksv advisory.com/insolvency-cases/case/metro360>.

All capitalized terms used herein but not otherwise defined herein have the meanings ascribed to them in the Meeting Order or the Plan.

DATED at Toronto, Ontario, this ___ day of _____, 2021.

SCHEDULE “C”

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 957855 ALBERTA LTD. (FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL CORP. IN RESPECT OF METRO 360 GENERAL PARTNERSHIP

AFFECTED CREDITORS PROXY

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Plan of Compromise and Arrangement of 957855 Alberta Ltd. (formerly NewsWest Inc.), Rosebud Creek Financial Corp. and Metro 360 General Partnership (collectively, the “**CCAA Entities**”) pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (as may be amended, restated, modified or supplemented from time to time, the “**Plan**”) filed with the Ontario Superior Court of Justice (Commercial List).

VOTING BY PROXY

This Proxy may only be filed by Affected Creditors with Affected Claims (each, an “**Eligible Voting Creditor**”). Any such Affected Creditor who is not an individual may only attend and vote at the Creditors’ Meeting if a proxyholder has been appointed to act on its behalf at such meeting.

Convenience Class Creditors do not need to complete or return a Proxy as they are deemed to vote in favour of the Plan pursuant to the Meeting Order and the Plan.

THE UNDERSIGNED ELIGIBLE VOTING CREDITOR hereby revokes all Proxies previously given and nominates, constitutes, and appoints:

Murtaza Tallat of KSV Restructuring Inc., in its capacity as Monitor, or a person appointed by Murtaza Tallat

or, instead of the foregoing, _____, or such other Person as he/she, in his/her sole discretion, may designate to attend on behalf of and act for the Eligible Voting Creditor at the Creditors’ Meeting to be held in connection with the Plan and at any and all adjournments, postponements or other rescheduling of such meeting, and to vote the amount of the Eligible Voting Creditor’s claim(s) for voting purposes as determined by and accepted for voting purposes in accordance with the Claims Procedure Order and the Meeting Order as follows:

To be completed by an Eligible Voting Creditor:

1. (mark one only):

Vote **FOR** approval of the Plan; or

Vote **AGAINST** approval of the Plan.

If this Proxy is submitted and a box is not marked as a vote for or against approval of the Plan, this Proxy shall be voted **FOR** approval of the Plan.

- and -

2. Vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that may come before the Creditors' Meeting or any adjournment, postponement or other rescheduling of such meeting.

Please complete, sign and date this Proxy and return it to KSV Restructuring Inc. at the address below by 5:00 p.m. (Toronto time) on December 13, 2021 (the "Election/Proxy Deadline").

The Monitor may waive strict compliance with the time limit imposed for receipt of a Proxy if deemed advisable to do so by the Monitor, in consultation with the CCAA Entities.

[Remainder of page intentionally left blank]

Dated this _____ day of _____, 2021.

ELIGIBLE VOTING CREDITOR'S SIGNATURE:

(Print Legal Name of Eligible Voting Creditor)

(Signature of the Eligible Voting Creditor or an Authorized
Signing Officer of the Eligible Voting Creditor, if applicable)

(Print Name and Title of Authorized Signing Officer of the
Eligible Voting Creditor, if applicable)

(Mailing Address of the Eligible Voting Creditor)

(Telephone Number of the Eligible Voting Creditor)

(E-mail Address of the Eligible Voting Creditor)

**YOUR PROXY MUST BE RECEIVED BY THE MONITOR AT THE ADDRESS LISTED
BELOW BEFORE THE ELECTION/PROXY DEADLINE.**

**KSV Restructuring Inc.,
Court-appointed CCAA Monitor of 957855 Alberta Ltd.
(formerly NewsWest Inc.) and Rosebud Creek Financial Corp., in
respect of Metro 360 General Partnership**

**150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9**

**Attention: Murtaza Tallat
E-mail: mtallat@ksvadvisory.com**

SCHEDULE “D”**CONVENIENCE CLASS CLAIM ELECTION**

TO: KSV RESTRUCTURING INC., in its capacity as Court-appointed Monitor of 957855 Alberta Ltd. (formerly NewsWest Inc.), Rosebud Creek Financial Corp. and Metro 360 General Partnership (collectively, the “CCAA Entities”)

In connection with the Plan of Compromise and Arrangement of the CCAA Entities pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (as may be amended, restated, modified or supplemented from time to time, the “**Plan**”) filed with the Ontario Superior Court of Justice (Commercial List), Affected Creditors with one or more Proven Claims in an amount in excess of CA\$2,500 may file a Convenience Class Claim Election pursuant to which such Affected Creditor elects to be treated as a Convenience Class Creditor and thereby receive only the Cash Election Amount of CA\$2,500 and be deemed thereby to vote in favour of the Plan.

By submitting this Convenience Class Claim Election, the undersigned hereby elects to be treated as a Convenience Class Creditor and receive the Cash Election Amount of CA\$2,500 in full and final satisfaction of the Proven Claim(s) of the undersigned, and hereby acknowledges that the undersigned shall be deemed to vote its Voting Claim(s) in favour of the Plan at the Creditors’ Meeting.

For the purposes of this election, terms not defined herein shall have the meanings ascribed thereto in the Plan.

Please complete, sign and date this Convenience Class Claim Election and return it to KSV Restructuring Inc. at the address below by 5:00 p.m. (Toronto time) on December 13, 2021 (the “Election/Proxy Deadline”).

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Dated this _____ day of _____, 2021.

ELIGIBLE VOTING CREDITOR'S SIGNATURE:

(Print Legal Name of Eligible Voting Creditor)

(Signature of the Eligible Voting Creditor or an Authorized
Signing Officer of the Eligible Voting Creditor, if applicable)

(Print Name and Title of Authorized Signing Officer of the
Eligible Voting Creditor, if applicable)

(Mailing Address of the Eligible Voting Creditor)

(Telephone Number of the Eligible Voting Creditor)

(E-mail Address of the Eligible Voting Creditor)

YOUR CONVENIENCE CLASS CLAIM ELECTION MUST BE RECEIVED BY THE MONITOR AT THE ADDRESS LISTED BELOW BEFORE THE ELECTION/PROXY DEADLINE.

**KSV Restructuring Inc.,
Court-appointed CCAA Monitor of 957855 Alberta Ltd.
(formerly NewsWest Inc.) and Rosebud Creek Financial Corp., in
respect of Metro 360 General Partnership**

**150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9**

**Attention: Murtaza Tallat
E-mail: mtallat@ksvadvisory.com**

SCHEDULE “E”**FORM OF PLAN RESOLUTION****BE IT RESOLVED THAT:**

1. The Plan of Compromise and Arrangement of 957855 Alberta Ltd. (formerly NewsWest Inc.), Rosebud Creek Financial Corp. and Metro 360 General Partnership (collectively, the “**CCAA Entities**”) pursuant to the *Companies’ Creditors Arrangement Act* (Canada) dated ●, 2021 (the “**Plan**”), which Plan has been presented to this meeting and which is substantially in the form attached as Exhibit “A” to the Affidavit of Daniel P. Shapiro sworn November 10, 2021 (as such Plan may be amended, restated, modified and/or supplemented as provided for in the Plan), be and it is hereby accepted, approved, agreed to and authorized; and
2. Any one director or officer of each of the CCAA Entities be and is hereby authorized and directed, subject to Court approval of the Plan, for and on behalf of the CCAA Entities (whether under its respective corporate seal or otherwise), to execute and deliver, or cause to be executed and delivered, any and all documents and instruments and to take or cause to be taken such other actions as they may deem necessary or desirable to implement this resolution and the matters authorized hereby, including the transactions required by the Plan, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the taking of any such actions.

SCHEDULE “F”
NOTICE TO AFFECTED CREDITORS

KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

Tel: 416.932.6031
Email: mtallat@ksvadvisory.com

November ●, 2021

TO: The Affected Creditors of 957855 Alberta Ltd. (formerly NewsWest Inc.), Rosebud Creek Financial Corp. and Metro 360 General Partnership

Dear Sirs/Mesdames:

Re: Proposed Plan of Compromise and Arrangement

Court File No. CV-20-00642783-00CL

KSV Restructuring Inc. writes to you in its capacity as court-appointed monitor (in such capacity, the “**Monitor**”) of 957855 Alberta Ltd. (formerly NewsWest Inc.), Rosebud Creek Financial Corp. and Metro 360 General Partnership (collectively, the “**CCAA Entities**”) in their proceedings under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”).

The purpose of this notice is to advise you that the CCAA Entities filed a plan of compromise and arrangement (as may be amended, restated, modified or supplemented from time to time, the “**Plan**”) under the CCAA and on November ●, 2021 obtained an Order (the “**Meeting Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) authorizing the CCAA Entities to convene, hold and conduct a virtual meeting of creditors (the “**Creditors’ Meeting**”) to consider and vote upon the Plan.

In accordance with Paragraph 12 of the Meeting Order, you are hereby notified that the various materials relating to the Plan and the Creditors’ Meeting, including the Electronic Meeting Protocol, Notice of Meeting, the Convenience Class Claim Election, and the form of resolution to vote on the Plan, as well as the Plan, the Sixth Report of the Monitor and the Plan Assessment Report (as such terms are defined in the Meeting Order), are available at <https://www.ksvadvisory.com/insolvency-cases/case/metro360> (the “**Monitor’s Website**”) under the section titled “**Creditor Meeting Materials**”. If you wish to receive an electronic copy of these materials via email, please advise the undersigned by email at mtallat@ksvadvisory.com.

Additional materials filed by the CCAA Entities in their CCAA proceedings, as well as the Monitor’s various other reports to the Court, are also available on the Monitor’s Website.

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Should you have any questions about the foregoing please do not hesitate to contact the undersigned.

KSV RESTRUCTURING INC., in its capacity as Court-appointed CCAA Monitor of 957855 Alberta Ltd. (formerly NewsWest Inc.) and Rosebud Creek Financial Corp., in respect of Metro 360 General Partnership, and not in its personal or corporate capacity

Per:

Murtaza Tallat

Manager

**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 957855
ALBERTA LTD. (FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL
CORP. IN RESPECT OF METRO 360 GENERAL PARTNERSHIP**

Court File No.: CV-20-00642783-00CL

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

MEETING ORDER

GOODMANS LLP

Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

L. Joseph Latham LSO#: 32326A
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Andrew Harmes LSO#: 73221A
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Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for 957855 Alberta Ltd. (formerly NewsWest
Inc.), Rosebud Creek Financial Corp., and Metro 360
General Partnership.

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Court File No.: CV-20-00642783-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	WEDNESDAY, THE 17 TH
)	
JUSTICE CAVANAGH)	DAY OF NOVEMBER, 2021

**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 957855 ALBERTA LTD.
(FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK
FINANCIAL CORP. IN RESPECT OF METRO 360
GENERAL PARTNERSHIP**

Applicants

ANCILLARY ORDER

THIS MOTION, made by 957855 Alberta Ltd. (formerly NewsWest Inc.) (“**Alberta HoldCo**”) and Rosebud Creek Financial Corp. (“**Rosebud HoldCo**” and, together with Alberta HoldCo, the “**Applicants**”), being the partners of the Metro 360 General Partnership (“**Metro 360**” and, together with the Applicants, the “**CCAA Entities**”), pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), was heard this day by videoconference at Toronto, Ontario.

ON READING the affidavit of Daniel P. Shapiro sworn November 10, 2021, including the exhibits thereto, and the Sixth Report of KSV Restructuring Inc.,¹ in its capacity as the

¹ Effective August 31, 2020, the name of KSV Kofman Inc. (“**Kofman**”) was changed to KSV Restructuring Inc. (“**Restructuring**”). All Kofman mandates are now being performed by Restructuring.

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monitor of the CCAA Entities under the CCAA (the “**Monitor**”), dated November ●, 2021 (the “**Sixth Report**”), including the Confidential Appendix to the Sixth Report (the “**Confidential Appendix**”), the affidavit of David Sieradzki sworn November ●, 2021 (the “**KSV Affidavit**”) and the affidavit of Sean Zweig sworn November 8, 2021 (the “**Bennett Jones Affidavit**”) attached thereto, and on hearing the submissions of counsel for the CCAA Entities, counsel for the Monitor, and such other counsel as were present, no one else appearing although duly served:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time and method for service of the Notice of Motion and 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 herein and not otherwise defined have the meanings given to them in the Initial Order of this Court made in the within proceedings dated June 17, 2020 (as amended, the “**Initial Order**”).

CLAIMS AGREEMENT

3. **THIS COURT ORDERS** that the claims agreement dated October 21, 2021 between the Minister of National Revenue, of the first part, and Metro 360, Rosebud HoldCo and Alberta HoldCo, of the second part (the “**Claims Agreement**”), a copy of which is included in the Confidential Appendix, and the settlements and other agreements contained therein, is hereby approved, and the execution and performance of the Claims Agreement by the CCAA Entities is hereby ratified and approved. The CCAA Entities and the Monitor are hereby authorized and directed to take such additional steps and execute such additional documents as may be

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necessary or desirable for implementation of the settlements and other agreements contemplated under the Claims Agreement.

EXTENSION OF THE STAY PERIOD

4. **THIS COURT ORDERS** that the Stay Period be and is hereby extended to and including 11:59 p.m. (Toronto time) on February 28, 2022, and that all other terms of the Initial Order shall remain in full force and effect during the Stay Period.

APPROVAL OF MONITOR'S SIXTH REPORT, ACTIVITIES AND FEES

5. **THIS COURT ORDERS** that the Sixth Report and the activities and conduct of the Monitor described therein, be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

6. **THIS COURT ORDERS** that the professional fees and disbursements of the Monitor, as set out in the KSV Affidavit, are hereby approved.

7. **THIS COURT ORDERS** that the professional fees and disbursements of Bennett Jones LLP, legal counsel to the Monitor, as set out in the Bennett Jones Affidavit, are hereby approved.

GENERAL

8. **THIS COURT ORDERS** that the Confidential Appendix be sealed, kept confidential and not form part of the public record, but rather shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these

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proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of this Court.

9. **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 foreign jurisdiction, to give effect to this Order and to assist the CCAA Entities, 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 CCAA Entities 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 CCAA Entities and the Monitor and their respective agents in carrying out the terms of this Order.

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 957855 ALBERTA LTD. (FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL CORP. IN RESPECT OF METRO 360 GENERAL PARTNERSHIP

Court File No.: CV-20-00642783-00CL

Applicants

ONTARIO

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

Proceeding commenced at Toronto

ANCILLARY ORDER

GOODMANS LLP

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Lawyers for 957855 Alberta Ltd. (formerly NewsWest Inc.), Rosebud Creek Financial Corp., and Metro 360 General Partnership.

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

Court File No.: CV-20-00642783-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 957855
ALBERTA LTD. (FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL
CORP. IN RESPECT OF METRO 360 GENERAL PARTNERSHIP**

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

MOTION RECORD
(Motion returnable November 17, 2021)

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
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