

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

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| THE HONOURABLE |) | WEDNESDAY, THE 18 TH DAY |
| |) | |
| JUSTICE WILTON-SIEGEL |) | OF JANUARY, 2022 |

IN THE MATTER OF THE PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
IN THE CITY OF RICHMOND HILL, IN THE PROVINCE OF ONTARIO

ORDER

THIS MOTION, made by KSV Restructuring Inc., in its capacity as the proposal trustee (in such capacity, the “**Proposal Trustee**”) of The Sanderson-Harold Company Limited, C.O.B. as Paris Kitchens (the “**Company**”), for an order pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) was heard this day via Zoom at Toronto, Ontario.

ON READING the Fifth Report to the Court of the Proposal Trustee dated December 29, 2022 and the appendices thereto (the “**Fifth Report**”) which include, *inter alia*, the fourth report of the Proposal Trustee dated November 1, 2022 (the “**Fourth Report**”) and the supplement to the fourth report of the Proposal Trustee dated November 3, 2022 (the “**Fourth Report Supplement**”), and on hearing the submissions of counsel for the Proposal Trustee and counsel for the Company, and any other parties or counsel listed on the counsel slip, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of T. Dolny sworn December 30, 2022, filed,

AND HAVING DETERMINED that (i) the proposal of the Company filed with the Official Receiver in accordance with Section 62(1) of the BIA on November 11, 2022, attached hereto as Schedule "A" (the "**Proposal**"), was approved by those creditors entitled to vote on the resolution at the meeting of creditors held on December 2, 2022; (ii) the terms of the Proposal are reasonable and calculated to benefit the general body of creditors; and (iii) no offences or facts have been proved to justify the Court in withholding its approval of the Proposal,

DEFINITIONS

1. **THIS COURT ORDERS** that all capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Proposal.

SERVICE

2. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record be and is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF PROPOSAL

3. **THIS COURT ORDERS** that the Proposal be and is hereby approved.

4. **THIS COURT ORDERS** that, as of the Implementation Date at the time or times and in the manner set forth in the Proposal: (i) the Proposal and all associated steps, compromises, settlement, satisfactions, releases, discharges, transactions and arrangements effected thereby are approved, binding and effective in accordance with the provisions of the Proposal and the BIA; and (ii) the treatment of the Claims of the Affected Creditors under the Proposal shall be final and

binding for all purposes and enure to the benefit of the Company, all Affected Creditors, the Directors, and all other Persons named or referred to in the Proposal, or subject to the Proposal, and their respective heirs, executors, administrators and other legal representatives, successor and assigns.

5. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized, directed and empowered to perform its functions and to fulfill its obligations under the Proposal to facilitate the implementation of the Proposal.

6. **THIS COURT ORDERS** that the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

APPROVAL OF THE FIFTH REPORT

7. **THIS COURT ORDERS** that the Fifth Report and the actions, activities and conduct of the Proposal Trustee described therein, including, *inter alia*, the activities and conduct of the Proposal Trustee as described in the Fourth Report and the Fourth Report Supplement appended to the Fifth Report, be and are hereby approved; provided, however, that only the Proposal Trustee, 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.

GENERAL

8. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada and as against all Persons whom it may otherwise be enforced.

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

10. **THIS COURT ORDERS** that this Order is effective from today's date and is enforceable without the need for entry or filing.

W. Han-Li J.

APPENDIX "A"

PROPOSAL

District of Ontario
Division No. 09 — Toronto
Court No. BK-22-02835198-0031
Estate No.: 31-02835198

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
IN THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO**

RECITALS

WHEREAS The Sanderson-Harold Company Limited (the “Debtor”) filed a Notice of Intention to Make a Proposal (“NOI”) with the Office of the Superintendent of Bankruptcy on May 31, 2022;

AND WHEREAS KSV Restructuring Inc. agreed to act as proposal trustee of the Debtor in the NOI proceedings (in such capacity, the “Trustee”);

AND WHEREAS the NOI filing was necessary to provide stability to the Debtor and allow the Debtor, with the assistance of the Trustee, to continue a sale process for the Debtor’s assets and business that commenced prior to the NOI proceeding;

AND WHEREAS on September 23, 2022, the Court granted orders approving the sale of certain of the Debtor’s assets and business, which transactions have been completed;

AND WHEREAS the Debtor, with the assistance of the Trustee, will complete the Liquidation of the Debtor’s remaining assets with the intention of the making a distribution to its Creditors in accordance with the terms of this Proposal.

PROPOSAL

The Debtor hereby submits the following Proposal to all of its Creditors pursuant to Part III of the BIA.

ARTICLE 1 - DEFINITIONS

1.1 Definitions

In this Proposal (including in the Recitals above):

- (a) "Administrative Fees and Expenses" means the proper fees, expenses and legal fees and disbursements of the Trustee and the Debtor on and incidental to the negotiation, preparation, presentation, consideration, Court approval of, and implementation of the Proposal and all proceedings and matters relating to or arising out of the Proposal including, without limitation, any meeting or meetings of creditors to consider the Proposal;
- (b) "Administrative Fee Reserve" means an amount determined by the Trustee to be maintained on account of Administrative Fees and Expenses required to complete the administration of the Proposal by the Trustee;
- (c) "Affected Claims" means all Claims which are not Unaffected Claims;
- (d) "Affected Creditor" means a Creditor having an Affected Claim;
- (e) "Approval Order" means an Order of the Court approving the Proposal;
- (f) "BIA" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and in force as at the NOI Filing Date;
- (g) "Business Day" means each day other than a Saturday or Sunday or a statutory or civic holiday on which banks are open for business in Toronto, Ontario, Canada;
- (h) "Canada Pension Plan" means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;
- (i) "Claim" means:
 - (i) any right of any Person against the Debtor in connection any indebtedness, liability or obligation of any kind of the Debtor which indebtedness, liability or obligation is in existence on, or which is based in whole or in part on any act, omission or fact that occurred or existed prior to the Filing Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, under-secured, unsecured, present, future, direct or indirect, known or unknown, by guarantee, by surety or otherwise, at law or in equity, and whether or not such a right is executory in including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action;
 - (ii) a claim against Directors of the Debtor that is based in whole or in part on facts, events or matters which existed or occurred on or before the NOI Filing Date and that relates to the obligations of the Debtor for which the Directors are by law liable in their capacity as Directors for the payment of such obligations. Director Claims do not include claims that relate to: (a) contractual rights of one or more Creditors arising from contracts with one or more Directors; or (b) wrongful or oppressive conduct by Directors (each, a "Director Claim"); and
 - (iii) any right or claim of any Person against the Debtor, whether or not made, in connection with any indebtedness, liability or obligation of any kind whatsoever

owed by the Debtor to such Person arising out of the restructuring, disclaimer, repudiation, resiliation, termination or breach of any lease, contract or other arrangement, agreement or obligation (whether oral or written) by the Debtor on or after the NOI Filing Date.

- (j) “Court” means the Ontario Superior Court of Justice (Commercial List) (in Bankruptcy and Insolvency);
- (k) “Creditor” means any Person having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf of or in the name of such Person;
- (l) “Creditors’ Meeting” means any meeting of the Affected Creditors called for the purpose of considering and voting upon the Proposal;
- (m) “Creditors’ Meeting Date” means 10:00 a.m. on the date and time as may be called by the Trustee in consultation with the Official Receiver;
- (n) “Debtor” has the meaning ascribed to it in the Recitals above;
- (o) “Directors” means the present and former directors of the Debtor;
- (p) “Directors’ Indemnity Claims” means all claims by Directors against the Debtor for indemnity in respect of obligations of the Debtor for which the Directors are by law liable in their capacity as Directors for the payment of such obligations;
- (q) “Employment Insurance Act” means the *Employment Insurance Act*, S.C. 1996, c. 23, as amended;
- (r) “Implementation Date” means the date upon which the conditions set forth in Section 9.3 have been satisfied;
- (s) “Income Tax Act” means *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended;
- (t) “Inspectors” means one or more Inspectors appointed pursuant to the BIA as provided for in the Proposal;
- (u) “Levy” has the meaning ascribed to it in Section 4.5 of the Proposal.
- (v) “Liquidation” means the liquidation of the Debtor’s remaining assets, which shall be overseen by the Trustee;
- (w) “Liquidation Proceeds” means the proceeds of the Liquidation, net of the direct costs of the Liquidation, together with the proceeds of the Debtor’s accounts receivable and any other assets of the Debtor;
- (x) “NOI Filing Date” means May 31, 2022;
- (y) “Official Receiver” shall have the meaning ascribed thereto in the BIA;

- (z) "Ordinary Claim Determination Date" means the date on which the validity of all Proofs of Claim filed by Ordinary Creditors has been finally determined in accordance with the BIA;
- (aa) "Ordinary Creditors" means Creditors with Proven Claims, except for those Claims that:
 - (i) are Claims by Preferred Creditors; or
 - (ii) are Unaffected Claims.
- (bb) "Person" means any individual, general or limited partnership, joint venture, trust, corporation, unincorporated organization, government, or any agency, regulatory body or instrumentality thereof, or any other entity howsoever designated or constituted;
- (cc) "Preferred Claim Determination Date" means the date on which the validity of all Proofs of Claim filed by Preferred Creditors has been finally determined in accordance with the BIA;
- (dd) "Preferred Creditors" means Creditors with Proven Claims and which are, subject to the rights of secured creditors, required by the BIA to be paid in priority to all other Claims under a proposal made by a debtor and including, without limitation, the Required Employee Amount (for greater certainty a Person can be both a Preferred Creditor and an Unsecured Creditor in respect of distinct Claims);
- (ee) "Priority Creditor Cash Amount" means the cash amount necessary to pay and satisfy: (i) the Affected Claims of Preferred Creditors, including the Required Employee Amount; and (ii) the Required Crown Amount, to be delivered by the Debtor to the Trustee within five (5) Business Days of the Preferred Claim Determination Date;
- (ff) "Proof of Claim" shall mean the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors' Meeting;
- (gg) "Proposal" means this proposal together with any amendments or additions thereto;
- (hh) "Proven Claim" of a Creditor means the amount of the Affected Claim of such Creditor finally determined in accordance with BIA;
- (ii) "Required Employee Amount" means an amount equal to the amount employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, would be qualified to receive under paragraph 136(1)(d) of the BIA if the Debtor became bankrupt on the NOI Filing Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salespersons, disbursements properly incurred by those salespersons in and about the Debtor's business during the same period;
- (jj) "Required Crown Amount" means all amounts outstanding at the time of the filing of the NOI to Her Majesty in Right of Canada or a Province and that are of a kind that could be subject to a demand under,

- (i) subsection 224(1.2) of the *Income Tax Act*;
- (ii) any provision of the Canada Pension Plan or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
- (iii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - A. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*, or
 - B. is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;
- (kk) "Secured Creditors" means "secured creditors" as defined in Section 2 of the Act;
- (ll) "Secured Claims" means Proven Claims of Secured Creditors, in their capacity as such;
- (mm) "Trustee" has the meaning ascribed to it in the Recitals above, or its duly appointed successor or successors;
- (nn) "Unaffected Claims" means Secured Claims (to the extent of the value of the Secured Claim only), the Directors' Indemnity Claims and the Administrative Fees and Expenses;
- (oo) "Unsecured Creditors" means, collectively, the Preferred Creditors and the Ordinary Creditors; and
- (pp) "Voting Letter" shall mean the voting letter required by Section 51(1) of the BIA to be mailed to each known Creditor prior to the Creditors' Meeting.

1.2 Articles of Reference

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

1.3 Interpretation Not Affected by Headings

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

1.4 Date for Any Action

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

1.5 Time

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

1.6 Numbers, Gender

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

1.7 Currency

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

1.8 Statutory References

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

1.9 Successors and Assigns

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

ARTICLE 2 - PURPOSE OF THE PROPOSAL

2.1 Purpose of the Proposal

The purpose of this Proposal is to allow the Debtor to effect its orderly wind down to maximize recoveries and is designed to allow the Debtor to distribute the net proceeds of its estate to the Affected Creditors with Proven Claims in the expectation that all Affected Creditors will derive greater benefit from the wind-down than they would otherwise receive from a bankruptcy of the Debtor, and to distribute the Liquidation Proceeds in accordance with the priorities set out herein.

The Proposal applies to all Affected Creditors, whether or not any such Affected Creditor proves a Claim against the Debtor under this Proposal. This Proposal provides for the payment in full of Required Crown Amounts, if any, as required by s. 60(1.1) of the BIA, and of Required Employee Amounts, if any, required by s. 60(1.3) of the BIA. This Proposal does not provide for the payment of any equity claims. This Proposal does not affect Unaffected Claims.

ARTICLE 3 - CLASSIFICATION OF CREDITORS

3.1 Classes of Creditors

For the purposes of voting on the Proposal, the Creditors of the Debtor shall be comprised of one class of Unsecured Creditors.

ARTICLE 4 - TREATMENT OF CREDITORS

4.1 Administrative Fees and Expenses

On the Implementation Date, all Administrative Fees and Expenses incurred to that date which remain unpaid shall be paid, in full, in accordance with the BIA.

4.2 Compromise of Claims and Distribution for Proven Claims

The Claims of all Affected Creditors shall be compromised on the Implementation Date and thereafter each Affected Creditor with a Proven Claim shall receive the following in full satisfaction of its Proven Claim(s), to the extent that there are sufficient funds available from the Liquidation Proceeds for payment thereof:

- (a) following the Preferred Claim Determination Date, the amounts of the Proven Claim of each Preferred Creditor, including the Required Crown Amount, in full satisfaction of their Proven Claims; and
- (b) following the Ordinary Claim Determination Date, the balance of the Liquidation Proceeds, net of the Administrative Fee Reserve, shall be paid to Ordinary Creditors on account of, and in full satisfaction of, their Proven Claims.

4.3 Interest on Claims

Interest will not accrue or be paid on Affected Claims after or in respect of the period following the NOI Filing Date and no Creditor with an Affected Claim will be entitled to any interest in respect of such Claim accruing on or after or in respect of the period following the NOI Filing Date.

4.4 Required Crown Amount

In the event that the Trustee determines that the Preferred Claim Determination Date will occur more than six (6) months from the date of Court approval of the Proposal, the Required Crown Amount shall be remitted by the Trustee to Her Majesty in Right of Canada from the Liquidation Proceeds within six (6) months of the date of Court approval of the Proposal.

4.5 Superintendent of Bankruptcy Levy

The Office of the Superintendent of Bankruptcy shall be paid its prescribed levy by the Debtor from payments to Ordinary Creditors and to Preferred Creditors, as required by sections 60(4) and 147 of the BIA (the “Levy”).

4.6 Post-filing Claims

Post-filing Claims, if any, shall be paid in full by the Debtor in the ordinary course of business, on regular trade terms, with the approval of the Trustee.

ARTICLE 5 - PROCEDURE FOR VALIDATION OF CLAIMS

5.1 Allowance or Disallowance of Claims by the Trustee

Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each claim in accordance with the provisions of the BIA. The Trustee shall have the power and authority to determine the validity of all claims made against the Debtor.

5.2 Claims Bar Process

Forthwith after the Creditors’ Meeting, the Trustee shall give notice pursuant to section 149 of the BIA to every Person with an Affected Claim that the Trustee has notice or knowledge but whose claim has not been filed, that if such Person does not file its proof of claim within a period of thirty (30) days after the mailing of the notice, the Trustee will proceed to declare a dividend without regard to such Person’s claim and the dividend referred to in said notice shall be deemed a final dividend and any Person so notified who does not provide its proof of claim within the said thirty (30) day period shall be barred from making a claim in this Proposal, subject to any exceptions set out in subsections 149(2)(3) and (4) of the BIA.

ARTICLE 6 - MEETING OF CREDITORS

6.1 Creditors’ Meeting

On the Creditors’ Meeting Date, the Trustee shall hold the Creditors’ Meeting in order for the Creditors to consider and vote upon the Proposal.

6.2 Time and Manner of Meeting

The Creditors’ Meeting shall be held at a time and in a manner, including by video-conference, to be established by the Trustee in consultation with the Official Receiver, or the nominee thereof, and confirmed in its notice of meeting to be mailed by the Trustee pursuant to the BIA. All Proofs of Claim shall be delivered in accordance with the provisions of the Proposal, the BIA and any Order which may be issued by the Court in respect of the procedure governing the Creditors’ Meeting, but in any event shall be no later than twenty-one (21) days following the filing of the Proposal with the Official Receiver.

6.3 Conduct of Meetings

The Official Receiver, or the nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only Persons entitled to attend the Creditors' Meeting are those Unsecured Creditors, including the holders of proxies, entitled to vote at the Creditors' Meeting and their respective legal counsel, if any, the officers, directors, auditors and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other Person may only be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Creditors.

6.4 Adjournment of Meetings

The Creditors' Meeting may be adjourned in accordance with Section 52 of the BIA.

6.5 Voting by Creditors

To the extent provided for herein, each Creditor will be entitled to vote to the extent of the amount which is equal to that Creditor's Proven Claim, or such amount as may be agreed to by the Trustee for voting purposes at or prior to the Creditors' Meeting (dollar amounts to be voted by Creditors in accordance with the foregoing are referred to as "**Voting Claims**").

6.6 Approval by Creditors

In order that the Proposal be binding on the class of Unsecured Creditors in accordance with the BIA, it must first be accepted by a majority in number of the Unsecured Creditors who actually vote upon the Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Voting Claims of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

6.7 Appointment of Inspectors

At the Creditors' Meeting, the Creditors may appoint up to five (5) Inspectors whose powers will be limited to:

- (a) advising the Trustee concerning any dispute which may arise as to the validity of Claims; and
- (b) advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.

The authority and term of office of the Inspectors will terminate upon the performance of the Proposal.

6.8 Valuation of Claims

The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as set forth in the BIA. The Debtor and/or the Trustee reserve the right to seek the assistance of the Court in valuing the Claim of any Unsecured Creditor, if required, to ascertain the result of any vote on the Proposal or the amount payable or to be distributed to such Unsecured Creditor under the Proposal, as the case may be.

ARTICLE 7 - COMPLETION OF THE PROPOSAL

7.1 Discharge of Trustee

Upon distribution by the Trustee of the balance of the Liquidation Proceeds, net of the Administrative Fee Reserve, as contemplated in Section 4.2(b), the Trustee shall have discharged its duties as Trustee, the Proposal shall be fully performed and the Trustee shall be entitled to apply for its discharge as Trustee hereunder.

The Trustee is acting in its capacity as Trustee under the BIA and not in its personal capacity and no officer, director, employee or agent of the Trustee shall incur any liabilities or obligations in connection with the Proposal or in respect of the business or obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute wilful misconduct or gross negligence.

7.2 Completion of the Proposal

The payment, compromise, extinguishment or other satisfaction of any Affected Claim under the Proposal will be binding upon each Affected Creditor, its heirs, executors, administrators, successors and assigns, for all purposes, and as and from the Implementation Date all Affected Claims shall be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in the Proposal.

ARTICLE 8 - PREFERENCES, TRANSFERS AT UNDER VALUE, ETC.

8.1 Sections 95-101 of the BIA

Sections 95-101 of the BIA and any provincial statute related to preferences, fraudulent conveyances, transfers at undervalue, or the like shall not apply to this Proposal.

8.2 Recourse

As a result of and in accordance with Section 8.1 hereof and all of the rights, remedies, recourses and Affected Claims described therein:

- (a) all such rights, remedies and recourses and any Affected Claims based thereon shall be completely unavailable to the Trustee or any Creditor against the Company, any other Creditor or any other person whatsoever; and

- (b) the Trustee and all of the Creditors shall be deemed, for all purposes whatsoever, to have irrevocably and unconditionally waived and renounced such rights, remedies and recourses and any Affected Claims based thereon against the Company, any other Creditor or any other persons.

ARTICLE 9 - MISCELLANEOUS

9.1 Modification of Proposal

The Debtor, with the consent of the Trustee, may propose an alteration or modification to the Proposal prior to the conclusion of the first Creditors' Meeting called to consider the Proposal.

9.2 Consents, Waivers and Agreements

As at 12:01 a.m. on the Implementation Date, each Creditor will be deemed to have:

- (a) executed and delivered to the Debtor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Proposal in its entirety;
- (b) waived any default by the Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor that has occurred on or prior to the Implementation Date;
- (c) agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor as at the Implementation Date (other than those entered into by the Debtor on, or with effect from, the Implementation Date) and the provisions of the Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly; and
- (d) released the Debtor, the Trustee, the Directors, and all of their respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any 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 act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein.

9.3 Conditions to Proposal Implementation

The implementation of the Proposal by the Debtor will be conditional upon the fulfilment or satisfaction of the following conditions:

- (a) acceptance of the Proposal by the Unsecured Creditors; and

- (b) approval of the Proposal by the Court pursuant to a final and non-appealable Approval Order.

9.4 Release

Upon the Implementation Date, each and every Director shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration from any and all Director Claims. This release shall have no force or effect if the Debtor goes bankrupt before the terms of the Proposal are performed.

9.5 Effect of Proposal Generally

As at 12:01 a.m. on the Implementation Date, the treatment of all Claims under the Proposal shall be final and binding on the Debtor and all Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and the Proposal shall constitute (i) a full, final and absolute settlement of all rights of the holders of the Claims affected hereby; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor of or in respect of such Claims.

9.6 Notices

Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by receipted email (except for Proofs of Claim which may only be sent by personal delivery, receipted email or registered mail) addressed to the respective parties as follows:

- (a) if to the Debtor:

c/o CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

George Benchetrit
E-mail: george@chaitons.com

- (b) if to a Creditor, to the address or email address for such Creditor specified in the Proof of Claim filed by Creditor or, if no Proof of Claim has been filed, to such other address or email address at which the notifying party may reasonably believe that the Creditor may be contacted; and

- (c) if to the Trustee:

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

Bobby Kofman / Jordan Wong
Email: bkofman@ksvadvisory.com / jwong@ksvadvisory.com

or to such other address or email address as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by receipted email and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by email or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

9.7 Further Assurances

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

9.8 Assignment of Claims

No assignment of a Claim by an Affected Creditor is effective to give the assignee any rights in respect of the Proposal unless written notice of the assignment is given to the Debtor and the Trustee in accordance with the requirements of Section 9.6. The assignment of the Claim will not be effective for a period of five (5) Business Days from the date of effective receipt of the notice of assignment by the Debtor and by Trustee as determined in accordance with Section 9.6.

9.9 Foreign Currency Obligations

For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the NOI Filing Date.

9.10 Applicable Law

The Proposal shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

9.11 Non-Severability

It is intended that all material provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any material provision or provisions of the Proposal is or are found by the Court to be void, voidable or

unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

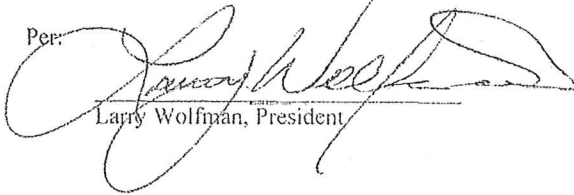
9.12 Annulment

If the Proposal is annulled by an Order of the Court, all payments on account of Proven Claims made pursuant to the terms of this Proposal will reduce the Claims of the applicable Creditors.

DATED at the City of Toronto, in the Province of Ontario, this 10th day of November, 2022.

THE SANDERSON-HAROLD COMPANY LIMITED

Per:

A handwritten signature in black ink, appearing to read "Larry Wolfman", is written over a horizontal line.

Larry Wolfman, President

IN THE MATTER OF THE PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
IN THE CITY OF RICHMOND HILL, IN THE PROVINCE OF ONTARIO

Court File No.: 31-2835198

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

PROPOSAL

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Lawyers for the Proposal Trustee

APPENDIX "B"

Court File No.: 31-2835198

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
IN THE CITY OF RICHMOND HILL, IN THE PROVINCE OF ONTARIO

PROPOSAL TRUSTEE'S CERTIFICATE

RECITALS

(A) On May 31, 2022, The Sanderson-Harold Company Limited, C.O.B. as Paris Kitchens (the "**Company**") filed a Notice of Intention to File a Proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**NOI Proceedings**"), and KSV Restructuring Inc. was named as the proposal trustee in the NOI Proceedings (in such capacity, the "**Proposal Trustee**").

(B) On November 11, 2022, the Company filed a proposal (the "**Proposal**") with the Official Receiver in accordance with Section 62(1) of the BIA, and a Certificate of Filing a Proposal (the "**Certificate**") was issued by the Office of the Superintendent of Bankruptcy (Canada) ("**OSB**") on November 14, 2022.

(C) Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Proposal.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The proposal to creditors prepared and filed by the Company on November 11, 2022 has been fully performed as of the _____ day of _____, 2022.
2. This Certificate was delivered by the Proposal Trustee on the _____ day of _____, 2022.

KSV RESTRUCTURING INC., solely in its capacity as the Proposal Trustee of The Sanderson-Harold Company Limited, C.O.B. as Paris Kitchens, and not in any other capacity

Per: _____
Name:
Title:

IN THE MATTER OF THE PROPOSAL OF
THE SANDERSON-HAROLD COMPANY LIMITED, C.O.B. AS PARIS KITCHENS,
IN THE CITY OF RICHMOND HILL, IN THE PROVINCE OF ONTARIO

Court File No.: 31-2835198

ONTARIO
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PROCEEDING COMMENCED AT TORONTO

ORDER

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Barristers and Solicitors

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Lawyers for the Proposal Trustee