

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

**AND**

**IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF  
SKYLINK AVIATION INC.**

**APPLICANT**

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

**SKYLINK AVIATION INC.**

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**APRIL 18, 2013**

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## **PLAN OF COMPROMISE AND ARRANGEMENT**

**WHEREAS** SkyLink Aviation Inc. (the “**Applicant**” or “**SkyLink Aviation**”) is a debtor company under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”);

**AND WHEREAS** the Applicant has entered into a Recapitalization Support Agreement dated March 7, 2013 (as it may be amended, restated and varied from time to time in accordance with the terms thereof, the “**Support Agreement**”), between the Applicant and certain parties (the “**Consenting Noteholders**” and each a “**Consenting Noteholder**”) that are holders of, and/or investment advisors or managers with investment discretion over, the \$110 million aggregate principal amount of 12.25% senior secured second lien notes due 2016 issued by SkyLink Aviation (the “**Secured Notes**”);

**AND WHEREAS** the Support Agreement contemplates the implementation of the Recapitalization (as defined below) pursuant to a plan of compromise and arrangement under the CCAA, which plan will provide for, among other things, the exchange of the Secured Notes for new equity and new notes in SkyLink Aviation, which is expected to result in, among other things, greater liquidity for, and the continued viability of, the Applicant;

**AND WHEREAS** the Applicant obtained an order (as may be amended, restated or varied from time to time, the “**Initial Order**”) of the Ontario Superior Court of Justice (the “**Court**”) under the CCAA dated March 8, 2013 (the “**Filing Date**”);

**AND WHEREAS** the Applicant filed a plan of compromise and arrangement with the Court on March 8, 2013 under and pursuant to the CCAA, and the Applicant has made certain amendments thereto in accordance with the terms thereof and hereby proposes and presents this amended plan of compromise and arrangement to the Affected Unsecured Creditors Class (as defined below) and the Secured Noteholders Class (as defined below) under and pursuant to the CCAA.

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

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

“**Affected Claim**” means any Claim that is not an Unaffected Claim, and, for greater certainty, includes any Equity Claim.

“**Affected Creditor**” means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim, including Secured Noteholders who have beneficial ownership of an Affected Claim pursuant to the Secured Notes.

“**Affected Unsecured Claims**” means all Affected Claims other than (i) the Claims comprising the Secured Noteholders Allowed Secured Claim and (ii) Equity Claims, and for the avoidance of doubt includes the Claims comprising the Secured Noteholders Allowed Unsecured Claim.

**“Affected Unsecured Creditor”** means any holder of an Affected Unsecured Claim, but only with respect to and to the extent of such Affected Unsecured Claim.

**“Affected Unsecured Creditors Class”** means the class of Affected Unsecured Creditors entitled to vote on this Plan at the Unsecured Creditors Meeting in accordance with the terms of the Meetings Order.

**“Agreed Number”** means, with respect to the New Common Shares, that number of New Common Shares to be issued on the Plan Implementation Date pursuant to the Plan as agreed to by the Applicant, the Monitor and the Majority Initial Consenting Noteholders.

**“Allowed”** means, with respect to a Claim, any Claim or any portion thereof that has been finally allowed as a Distribution Claim (as defined in the Claims Procedure Order) for purposes of receiving distributions under the Plan in accordance with the Claims Procedure Order or a Final Order of the Court.

**“Applicable Law”** means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity.

**“Articles”** means the articles of amalgamation of SkyLink Aviation.

**“Articles of Amalgamation”** means the articles of amalgamation pursuant to the OBCA, the form and substance as agreed by the Applicant and the Majority Initial Consenting Noteholders, to effectuate the amalgamation of SkyLink Aviation and SkyLink Canadian Subsidiary.

**“Articles of Reorganization”** means the articles of reorganization pursuant to the OBCA, the form and substance as agreed by the Applicant, the Monitor and the Majority Initial Consenting Noteholders, to be filed by the Applicant on the Plan Implementation Date amending the Articles in accordance with the Plan.

**“Business Day”** means a day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario and New York, New York.

**“Canadian Tax Act”** means the *Income Tax Act* (Canada), as amended.

**“CCAA”** has the meaning ascribed thereto in the recitals.

**“CCAA Proceeding”** means the proceeding commenced by the Applicant under the CCAA on the Filing Date.

**“CDS”** means CDS Clearing and Depositary Services Inc. or any successor thereof.

**“CDS Participants”** has the meaning ascribed thereto in section 4.1(c)(A).

**“Charges”** means the Administration Charge, the Directors’ Charge, the KERP Charge and the DIP Lenders’ Charge, each as defined in the Initial Order.

**“Claim”** means:

- (a) any right or claim of any Person against the Applicant, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of the Applicant in existence on the Filing Date, and costs payable in respect thereof to and including 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 the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts which existed prior to the Filing Date and any other claims that would have been claims provable in bankruptcy had the Applicant become bankrupt on the Filing Date, including for greater certainty any Equity Claim and any claim for indemnification by any Director or Officer in respect of a Director/Officer Claim (but excluding any such claim for indemnification that is covered by the Directors’ Charge (as defined in the Initial Order)); and
- (b) any right or claim of any Person against the Applicant in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Applicant to such Person arising out of the restructuring, disclaimer, rescission, termination or breach by the Applicant on or after the Filing Date of any contract, lease or other agreement whether written or oral,

provided that, for greater certainty, the definition of “Claim” shall not include any Director/Officer Claim.

**“Claims Bar Date”** has the meaning ascribed thereto in the Claims Procedure Order.

**“Claims Procedure Order”** means the Order under the CCAA establishing a claims procedure in respect of the Applicant, as same may be further amended, restated or varied from time to time.

**“Class A Shares”** means the common shares in the capital of SkyLink Aviation designated in the Articles as Class A Common Shares.

**“Class B Shares”** means the common shares in the capital of SkyLink Aviation designated in the Articles as Class B Common Shares.

**“Company Advisors”** means Goodmans LLP and Ernst & Young Inc.

**“Company Stock Option Plans”** means the 2008 Stock Award Plan adopted by SL Aviation Bidco Inc. (as predecessor to SkyLink Aviation) on November 6, 2008, and any other options plans or other obligations of the Applicant in respect of options or warrants for equity in SkyLink

Aviation, in each case as such plan or other obligation may be amended, restated or varied from time to time in accordance with the terms thereof.

**“Consenting Noteholder”** has the meaning ascribed thereto in the recitals.

**“Consolidation Ratio”** means, with respect to the Class A Shares, the ratio by which Class A Shares outstanding on the Plan Implementation Date at the relevant time (including, for the avoidance of doubt, any Class A Shares that are Existing Shares and New Common Shares issued pursuant to the Plan) are consolidated pursuant to the Plan, as agreed by the Applicant, the Monitor and the Majority Initial Consenting Noteholders.

**“Court”** has the meaning ascribed thereto in the recitals.

**“Creditor”** means any Person having a Claim, but only with respect to and to the extent of such Claim, including the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with the Claims Procedure Order or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person.

**“DIP Agreement”** means the debtor-in-possession credit agreement between the Applicant, as borrower, the SkyLink Guarantors, as guarantors, and the DIP Lenders, as such agreement may be modified, amended or supplemented in accordance with the terms thereof, the Initial Order or any other Order of the Court, which DIP Agreement will cease to be a debtor-in-possession credit agreement and will take effect as a new first lien credit agreement on the Plan Implementation Date in accordance with the terms hereof and thereof, and, accordingly, any reference herein to the DIP Agreement also means the New First Lien Credit Agreement, as applicable.

**“DIP Backstop”** means the commitment to fund the entire DIP Loan Amount provided by the DIP Backstop Parties subject to the terms of and in accordance with the DIP Backstop Commitment Letter.

**“DIP Backstop Commitment Letter”** means the commitment letter entered into by SkyLink Aviation and the DIP Backstop Parties pursuant to which the DIP Backstop Parties have committed to funding the entire DIP Loan Amount, subject to and in accordance with the terms thereof.

**“DIP Backstop Parties”** means those Noteholders that have executed the Support Agreement and are signatories to the DIP Backstop Commitment Letter, and **“DIP Backstop Party”** means any one of them.

**“DIP Backstop Party’s Pro Rata Share”** means with respect to each DIP Backstop Party, (x) the amount of the DIP Backstop committed by such DIP Backstop Party pursuant to the DIP Backstop Commitment Letter divided by (y) the DIP Loan Amount.

**“DIP Facility”** means the interim financing facility committed by the DIP Lenders pursuant to the DIP Agreement.

**“DIP Lenders”** means, collectively, the DIP Backstop Parties and the Qualifying Noteholders who become lenders of the DIP Facility under the DIP Agreement in accordance with the terms of the Initial Order, and **“DIP Lender”** means any one of them.

**“DIP Loan Amount”** means US\$18 million.

**“Directors”** means all current and former directors (or their estates) of the Applicant, in such capacity, and **“Director”** means any one of them.

**“Director/Officer Claim”** means any right or claim of any Person against one or more of the Directors or Officers of the Applicant 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 the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, including any right of contribution or indemnity, for which any Director or Officer of the Applicant is alleged to be by statute or otherwise by law liable to pay in his or her capacity as a Director or Officer.

**“Director/Officer Wages Claim”** means the Director/Officer Claims for unpaid employment remuneration delivered to the Monitor on or prior to 5:00 p.m. (Toronto Time) on March 28, 2013 in accordance with the Claims Procedure Order, which are described on Schedule “D” hereto.

**“Disputed Distribution Claim”** means an Affected Unsecured Claim (including a contingent Affected Unsecured Claim which may crystallize upon the occurrence of an event or events occurring after the Filing Date) or such portion thereof which has not been Allowed, which is validly disputed for distribution purposes in accordance with the Claims Procedure Order and which remains subject to adjudication for distribution purposes in accordance with the Claims Procedure Order.

**“Disputed Distribution Claims Reserve”** means the reserve, if any, to be established by the Applicant on the Unsecured Promissory Note Maturity Date, which shall be comprised of the Unsecured Promissory Note Proceeds that would have been paid in respect of Unsecured Promissory Note Entitlements, if such Disputed Distribution Claims had been Allowed Claims as of such date.

**“Distribution Date”** means the date or dates from time to time set in accordance with the provisions of the Plan to effect distributions in respect of the Allowed Claims, excluding the Initial Distribution Date, and in the case of distributions from Unsecured Promissory Note Proceeds, means the Unsecured Promissory Note Maturity Date or such later date from time to time in accordance with the provisions of the Plan if any Affected Unsecured Claim is a Disputed Distribution Claim on the Unsecured Promissory Note Maturity Date.

**“Effective Time”** means 12:01 a.m. (Toronto time) on the Plan Implementation Date or such other time on such date as the Applicant and the Majority Initial Consenting Noteholders may agree.



**“Employee Priority Claims”** means the following Claims of Employees and former employees of SkyLink Aviation:

- (c) Claims equal to the amounts that such Employees and former employees would have been entitled to receive under paragraph 136(l)(d) of the *Bankruptcy and Insolvency Act* (Canada) if SkyLink Aviation had become bankrupt on the Filing Date; and
- (d) Claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the Plan Implementation Date together with, in the case of travelling salespersons, disbursements properly incurred by them in and about SkyLink Aviation’s business during the same period.

**“Employees”** means any and all (a) employees of SkyLink Aviation who are actively at work (including full-time, part-time or temporary employees) and (b) employees of SkyLink Aviation who are on approved leaves of absence (including maternity leave, parental leave, short-term disability leave, workers’ compensation and other statutory leaves), and who have not tendered notice of resignation as of the Filing Date, in each case.

**“Encumbrance”** means any charge, mortgage, lien, pledge, claim, restriction, hypothec, adverse interest, security interest 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 the law applicable to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under the laws of the Province of Ontario.

**“Equity Claim”** means a Claim that meets the definition of “equity claim” in section 2(1) of the CCAA.

**“Equity Claimants”** means any Person with an Equity Claim or holding an Equity Interest, but only in such capacity, and for greater certainty includes the Existing Shareholders in their capacity as such.

**“Equity Interests”** has the meaning ascribed thereto in section 2(1) of the CCAA and, for greater certainty, includes the Existing Shares, the shares in the capital of the Applicant referred to in the Articles as the “Class B Common Shares”, the Options and any other interest in or entitlement to shares in the capital of the Applicant but, for greater certainty, does not include the New Common Shares issued on the Plan Implementation Date in accordance with the Plan.

**“Existing Shareholder”** means any Person who holds or is entitled to the Existing Shares or any shares in the authorized capital of the Applicant immediately prior to the Effective Time, but only in such capacity, and for greater certainty does not include any Person that is issued New Common Shares on the Plan Implementation Date, in such capacity.

**“Existing Shares”** means all shares in the capital of SkyLink Aviation that are issued and outstanding immediately prior to the Effective Time.

**“Expense Reimbursement”** means the reasonable and documented fees and expenses of the Noteholder Advisors (to the extent not already satisfied by the Applicant).

**“Filing Date”** has the meaning ascribed thereto in the recitals.

**“Final Order”** means any order, ruling or judgment of the Court, or any other court of competent jurisdiction, which has not been reversed, modified or vacated, and is not subject to any stay.

**“First Lien Agent”** means Deans Knight Capital Management Ltd., in its capacity as agent of the First Lien Credit Facility.

**“First Lien Credit Agreement”** means the credit agreement dated as of March 15, 2011 between, among others, the Applicant, as borrower, and the SkyLink Guarantors, as guarantors, as amended and modified from time to time, which credit agreement was assigned to and assumed by the First Lien Agent and the First Lien Lenders pursuant to a Loan Purchase Agreement dated as of February 28, 2013.

**“First Lien Credit Facility”** means the credit facility provided pursuant to the First Lien Credit Agreement.

**“First Lien Lenders”** means the lenders pursuant to the First Lien Credit Facility, at the relevant time, in their capacity as such.

**“Fractional Interests”** has the meaning given in section 4.10 hereof.

**“Government Priority Claims”** means all Claims of Governmental Entities against the Applicant in respect of amounts that are outstanding and that are of a kind that could reasonably be subject to a demand under:

- (a) subsections 224(1.2) of the Canadian Tax Act;
- (b) any provision of the Canada Pension Plan or the *Employment Insurance Act* (Canada) that refers to subsection 224(1.2) of the Canadian Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan, or employee’s premium or employer’s premium as defined in the *Employment Insurance Act* (Canada), or a premium under Part VII. I of that Act, and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Canadian 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:
  - (i) 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 Canadian Tax Act; or
  - (ii) 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.

**“Governmental Entity”** means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

**“Incentive Plan”** has the meaning ascribed thereto in section 5.4(m).

**“Information Statement”** means the information statement distributed (or to be distributed) by SkyLink Aviation concerning the Plan, the Meetings and the hearing in respect of the Sanction Order, as contemplated in the Meetings Order.

**“Initial Consenting Noteholder’s Pro-Rata Share”** means with respect to each Initial Consenting Noteholder, (x) the principal amount of Secured Notes held by such Initial Consenting Noteholder as at the relevant date divided by (y) the aggregate principal amount of Secured Notes held by all of the Initial Consenting Noteholders collectively.

**“Initial Consenting Noteholders”** means those Secured Noteholders that were the original signatories to the Support Agreement (as distinct from a Support Agreement Joinder).

**“Initial Distribution Date”** means a date no more than two (2) Business Days after the Plan Implementation Date or such other date as the Applicant, the Monitor and the Majority Initial Consenting Noteholders may agree.

**“Initial Order”** has the meaning ascribed thereto in the recitals.

**“Insurance Policy”** means any insurance policy maintained by SkyLink Aviation pursuant to which SkyLink Aviation or any Director or Officer is insured.

**“Insured Claim”** means all or that portion of a Claim arising from a cause of action for which the applicable insurer has definitively and unconditionally confirmed that SkyLink Aviation is insured under an Insurance Policy, to the extent that such Claim, or portion thereof, is so insured.

**“Intercompany Claim”** means any claim by any SkyLink Company or related entity against SkyLink Aviation.

**“IPSA”** means the Interest Payment Support Agreement dated as of September 17, 2012, as amended and supplemented from time to time, among the IPSA Noteholder Participants, SkyLink Aviation and certain guarantors party to the Secured Note Indenture.

**“IPSA Noteholder Participants”** means those Secured Noteholders that executed the IPSA.

**“KERP”** means the payments to be made to certain key employees of the Applicant upon the implementation of the Plan, as described in the key employee retention plan letters attached to,

and filed with the Court together with, the confidential supplement to the Pre-Filing Report of the Monitor dated as of the Filing Date.

**“Majority Initial Consenting Noteholders”** means Initial Consenting Noteholders holding not less than a majority of the principal amount of the Notes held by all Initial Consenting Noteholders, in each case as communicated to the Applicant by counsel to the Initial Consenting Noteholders, in accordance with section 10.6 hereof.

**“Material”** means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of the Applicant (taken as a whole).

**“Material Adverse Effect”** means a fact, event, change, occurrence or circumstance that, individually or together with any other fact, event, change, occurrence or circumstance, has, or could reasonably be expected to have, a material adverse impact on the business, assets, liabilities, capitalization, obligations (whether absolute, accrued, conditional or otherwise), condition (financial or otherwise), operations or prospects of the Applicant and its subsidiaries (taken as a whole) and shall include, without limitation, the disposition by the Applicant or any of its subsidiaries of any material asset without the prior consent of the Majority Initial Consenting Noteholders; provided, however, that a Material Adverse Effect shall not include, and shall be deemed to exclude the impact of: (A) any change in Applicable Laws of general applicability or interpretations thereof by courts or governmental or regulatory authorities, which does not disproportionately adversely affect the Applicant or its subsidiaries (taken as a whole), (B) any change in the aviation transport and logistics services industry generally, which does not disproportionately adversely affect the Applicant or its subsidiaries (taken as a whole), (C) actions and omissions of the Applicant taken with the prior written consent of the Majority Initial Consenting Noteholders or required pursuant to the Support Agreement, the Plan or any related document, (D) the public announcement of the Support Agreement, the DIP Agreement, the Plan or any related document or the transactions contemplated by thereby, (E) SkyLink Aviation entering into the DIP Agreement, (F) the CCAA Proceedings, (G) any material change in the market price or trading volume of the Secured Notes or Equity Interests (it being understood that any cause or causes of any such change may be taken into consideration when determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur), (H) any act of war, armed hostilities or terrorism or any worsening thereof, which does not disproportionately adversely affect the Applicant or its subsidiaries (taken as a whole), or (I) any material failure by the Applicant to meet internal projections or forecasts or third party revenue or earnings predictions for any period (it being understood that any cause or causes of any such failure may be taken into consideration when determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur).

**“Meeting Date”** means the date on which the Meetings are held in accordance with the Meetings Order.

**“Meetings”** means, collectively, the Unsecured Creditors Meeting and the Secured Noteholders Meeting.

**“Meetings Order”** means the Order under the CCAA that, among other things, sets the date for the Meetings, as same may be amended, restated or varied from time to time.

**“Monitor”** means Duff & Phelps Canada Restructuring Inc., as Court-appointed Monitor in the CCAA Proceeding of the Applicant.

**“New Common Shares”** means the new Class A Shares of SkyLink Aviation to be issued pursuant to section 5.2(1) hereof.

**“New First Lien Credit Agreement”** means the DIP Agreement, which credit agreement will cease to be a debtor-in-possession credit agreement and will take effect as a new first lien credit agreement on the Plan Implementation Date in accordance with the terms hereof and thereof and, accordingly, any reference herein to the New First Lien Credit Agreement also means the DIP Agreement, as applicable.

**“New First Lien Loan”** means the secured, first lien loans in the aggregate principal amount of the New Loan Amount that are to take effect on the Plan Implementation Date in accordance with the terms hereof and the DIP Agreement.

**“New Loan Amount”** means US\$18 million.

**“New Lenders”** means the DIP Lenders, all of whom will cease to be DIP Lenders on the Plan Implementation Date and will automatically become lenders pursuant to the New First Lien Loan on the Plan Implementation Date in accordance with the terms hereof and the DIP Agreement.

**“New Lender’s Pro Rata Share”** means with respect to each New Lender, (x) the amount of the New Loan Amount committed (including, for greater certainty, any amount funded) by such New Lender as at the Plan Implementation Date, divided by (y) the New Loan Amount.

**“New Second Lien Notes”** means the secured, second lien notes in the aggregate principal amount of \$10 million to be issued on the Plan Implementation Date pursuant to section 5.2(2) hereof, the terms of which shall be consistent with the summary of terms set forth in Schedule “A”.

**“New Second Lien Notes Indenture”** means the note indenture dated as of the Plan Implementation Date among SkyLink Aviation, the guarantors party thereto and the New Second Lien Notes Indenture Trustee pursuant to which the New Second Lien Notes will be issued.

**“New Second Lien Notes Indenture Trustee”** means Computershare Trust Company of Canada or such other trustee as may be agreed to by the Applicant and the Majority Initial Consenting Noteholders, as trustee under the New Second Lien Notes Indenture.

**“New Shareholders’ Agreement”** means the shareholders’ agreement among SkyLink Aviation and each of the holders of the New Common Shares, which shall be declared to be effective and binding on all such Persons pursuant to the Sanction Order.

**“Noteholder Advisors”** means Bennett Jones LLP and PwC.

**“Notice of Claim”** has the meaning ascribed thereto in the Claims Procedure Order.

“**OBCA**” means the *Business Corporations Act* (Ontario), as amended.

“**Officers**” means all current and former officers (or their estates) of the Applicant, in such capacity, and “**Officer**” means any one of them.

“**Options**” means any options, warrants, conversion privileges, puts, calls, subscriptions, exchangeable securities, or other rights, entitlements, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating SkyLink Aviation to issue, acquire or sell shares in the capital of SkyLink Aviation or to purchase any shares, securities, options or warrants, or any securities or obligations of any kind convertible into or exchangeable for shares in the capital of SkyLink Aviation, in each case that are existing or issued and outstanding immediately prior to the Effective Time, including any options to acquire common shares of SkyLink Aviation issued under the Company Stock Option Plans, any warrants exercisable for common shares or other equity securities of SkyLink Aviation, any put rights exercisable against the Applicant in respect of any shares, options, warrants or other securities, and any rights, entitlements or other claims of any kind to receive any other form of consideration in respect of any prior or future exercise of any of the foregoing.

“**Order**” means any order of the Court made in connection with the CCAA Proceeding.

“**Person**” means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity.

“**Plan**” means this Plan of Compromise and Arrangement filed by the Applicant under the CCAA, as it may be amended, supplemented or restated from time to time in accordance with the terms hereof.

“**Plan Implementation Date**” means the Business Day on which this Plan becomes effective, which shall be the Business Day on which, pursuant to section 9.2, the Applicant and Majority Initial Consenting Noteholders deliver written notice to the Monitor that the conditions set out in section 9.1 have been satisfied or waived in accordance with the terms hereof.

“**Post-Filing Trade Payables**” means trade payables that were incurred by the Applicant (a) after the Filing Date but before the Plan Implementation Date; and (b) in compliance with the Initial Order and other Orders issued in connection with the CCAA Proceeding.

“**Prior Ranking Secured Claims**” means Claims existing on both the Filing Date and the Plan Implementation Date, other than Government Priority Claims, Employee Priority Claims, and Claims secured by the Charges, that (a) have the benefit of a valid and enforceable security interest in, mortgage or charge over, lien against or other similar interest in, any of the assets that the Applicant owns or to which the Applicant is entitled, but only to the extent of the realizable value of the property subject to such security; and (b) would have ranked senior in priority to the Secured Noteholders Allowed Secured Claim if the Applicant had become bankrupt on the Filing Date.

“**Proof of Claim**” has the meaning ascribed thereto in the Claims Procedure Order.

“**PwC**” means PricewaterhouseCoopers LLP.



**“Qualifying Noteholder”** means a Secured Noteholder as of the Filing Date that: (a) in the case of a Secured Noteholder resident in the United States, is a “qualified institutional buyer” within the meaning of Rule 144A under the 1933 Act; (b) in the case of a Secured Noteholder resident in a province or territory of Canada, is an “accredited investor” as such term is defined in the National Instrument 45-106 Prospectus and Registration Exemptions (“**NI 45-106**”); or (c) in the case of a Secured Noteholder resident outside of Canada or the United States, would qualify as an “accredited investor” as such term is defined in NI-45-106 as if such Secured Noteholder was resident in Canada and can demonstrate to SkyLink Aviation that it is qualified to participate as a lender in the DIP Facility in accordance with the laws of its jurisdiction of residence.

**“Recapitalization”** means the transactions contemplated by this Plan.

**“Released Claim”** has the meaning ascribed thereto in section 7.1(a).

**“Released Director/Officer Claim”** means any Director/Officer Claim that is released pursuant to section 7.1.

**“Released Directors/Officers”** means the Persons listed on Schedule “B”, in their capacity as Directors and/or Officers, and **“Released Director/Officer”** means any one of them.

**“Released Party”** and **“Released Parties”** have the meaning ascribed thereto in section 7.1(a).

**“Released Shareholders”** means those holders of the Existing Shares as of the Filing Date who are listed on Schedule “C”, in their capacity as holders of Existing Shares.

**“Required Majorities”** means with respect to each Voting Class, a majority in number of Affected Creditors representing at least two thirds in value of the Voting Claims of Affected Creditors, in each case who are entitled to vote at the Meetings in accordance with the Meetings Order and who are present and voting in person or by proxy on the resolution approving the Plan at the applicable Meeting.

**“Sanction Date”** means the date that the Sanction Order is made by the Court.

**“Sanction Order”** means the Order of the Court sanctioning and approving this Plan.

**“Secured Noteholder’s Pro-Rata Share”** means, with respect to each Secured Noteholder, (x) the principal amount of Secured Notes held by such Secured Noteholder as at the Filing Date divided by (y) \$110,000,000 (being the aggregate principal amount of all of the Secured Notes).

**“Secured Noteholders”**, and each a **“Secured Noteholder”**, means the holders of the Secured Notes.

**“Secured Noteholders Allowed Claim”** has the meaning ascribed thereto in the Claims Procedure Order.

**“Secured Noteholders Allowed Secured Claim”** has the meaning ascribed thereto in the Claims Procedure Order.

**“Secured Noteholders Allowed Unsecured Claim”** has the meaning ascribed thereto in the Claims Procedure Order.

**“Secured Noteholders Class”** means the class of Secured Noteholders collectively holding the Secured Noteholders Allowed Secured Claim entitled to vote on this Plan at the Secured Noteholders Meeting in accordance with the terms of the Meetings Order.

**“Secured Noteholders Meeting”** means the meeting of the Secured Noteholders Class to be held on the Meeting Date for the purpose of considering and voting on the Plan pursuant to the CCAA and includes any adjournment, postponement or other rescheduling of such meeting in accordance with the Meetings Order.

**“Secured Note Indenture”** means the note indenture dated March 15, 2011 that was entered into between SkyLink Aviation, certain guarantor parties and the Secured Note Indenture Trustee in connection with the issuance of the Secured Notes, as amended by the First Supplemental Indenture dated as of October 19, 2012.

**“Secured Note Indenture Trustee”** means Computershare Trust Company of Canada, as trustee under the Secured Note Indenture.

**“Secured Note Obligations”** means all obligations, liabilities and indebtedness of SkyLink Aviation or any of the other SkyLink Companies (whether as guarantor, surety or otherwise) to the Secured Note Indenture Trustee and/or the Secured Noteholders (including, for greater certainty, in their capacity as holders of the Secured Notes and in their capacity as IPSA Noteholder Participants) under, arising out of or in connection with the Secured Notes, the IPSA, the Secured Note Indenture or the guarantees granted in connection with any of the foregoing as well as any other agreements or documents relating thereto as at the Plan Implementation Date.

**“Secured Notes”** has the meaning ascribed thereto in the recitals.

**“Shareholder Agreement”** means the shareholder agreement dated November 13, 2008 by and among SL Aviation Bidco Inc. (as predecessor to SkyLink Aviation) and the holders of the Existing Shares, as amended and as it may be further amended from time to time.

**“SkyLink Aviation”** has the meaning ascribed thereto in the recitals.

**“SkyLink Canadian Subsidiary”** means 2273853 Ontario Inc.

**“SkyLink Companies”** means the Applicant, the SkyLink Guarantors, SkyLink Aeromanagement (Kenya) Ltd., SkyLink Aviation FZE, SkyLink Air & Logistic Support (Sudan) Co. Ltd., SkyLink Air and Logistic Service Italy Srl, CAS FZE, Aerostan Holdings Company, Aerostan Limited Liability Company and Canadian Force Logistics Augmentation Group Inc.

**“SkyLink Guarantors”** means SkyLink Canadian Subsidiary, SkyLink Air and Logistic Support (USA) Inc., SkyLink USA II and SkyLink Aviation (Wyoming) Inc.

**“SkyLink Subsidiaries”** means the SkyLink Companies other than the Applicant.



**“SkyLink USA II”** means SkyLink Air and Logistic Support (USA) II Inc.

**“Structuring Equity”** means the 5% of the New Common Shares issued and outstanding on the Plan Implementation Date to be issued to the Initial Consenting Noteholders by the Applicant pursuant to this Plan in recognition of the significant time and effort spent by the Initial Consenting Noteholders in working with the Applicant to develop, structure and facilitate the Recapitalization.

**“Support Agreement”** has the meaning ascribed thereto in the recitals.

**“Support Agreement Joinder”** means a joinder agreement in the form set out as a schedule to the Support Agreement pursuant to which a Secured Noteholder agrees to become a Consenting Noteholder and to be bound by the terms of the Support Agreement.

**“Tax”** or **“Taxes”** means any and all federal, provincial, municipal, local and foreign taxes, assessments, reassessments and other governmental charges, duties, impositions and liabilities including for greater certainty taxes based upon or measured by reference to income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Quebec and other government pension plan premiums or contributions, together with all interest, penalties, fines and additions with respect to such amounts.

**“Taxing Authorities”** means anyone of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof, the United States Internal Revenue Service, any similar revenue or taxing authority of the United States and each and every state of the United States, and any Canadian, United States or other 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.

**“Unaffected Claim”** means any:

- (a) Claim of the First Lien Agent and/or the First Lien Lenders in respect of the First Lien Credit Agreement or the First Lien Facility;
- (b) Claim secured by any of the Charges;
- (c) Insured Claim;
- (d) Claim by the DIP Lenders arising under the DIP Agreement;
- (e) Intercompany Claim;
- (f) Post-Filing Trade Payables;

- (g) Claim by an Unaffected Trade Creditor arising from an Unaffected Trade Claim;
- (h) Prior Ranking Secured Claims;
- (i) Claim that is not permitted to be compromised pursuant to section 19(2) of the CCAA;
- (j) Employee Priority Claims; and
- (k) Government Priority Claims.

**“Unaffected Creditor”** means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim.

**“Unaffected Trade Claim”** means a Claim of an Unaffected Trade Creditor that is not a Post-Filing Trade Payable and that arises out of or in connection with any contract, license, lease, agreement, obligation, arrangement or document with the Applicant related to the business of the Applicant.

**“Unaffected Trade Creditor”** means any Person that has been designated by SkyLink Aviation, with the consent of the Monitor and the Majority Initial Consenting Noteholders, as a critical supplier in accordance with the Initial Order.

**“Undeliverable Distribution”** has the meaning ascribed thereto in section 4.8 hereof.

**“Unsecured Creditor’s Pro-Rata Share”** means, at the relevant time, with respect to each Affected Unsecured Creditor, (x) the Allowed Affected Unsecured Claim of such Affected Unsecured Creditor divided by (y) the total of all Allowed Affected Unsecured Claims and Disputed Distribution Claims of Affected Unsecured Creditors.

**“Unsecured Creditors Meeting”** means a meeting of Affected Unsecured Creditors to be held on the Meeting Date called for the purpose of considering and voting on the Plan pursuant to the CCAA, and includes any adjournment, postponement or other rescheduling of such meeting in accordance with the Meetings Order.

**“Unsecured Promissory Note”** means the unsecured, subordinated promissory note in the principal amount of \$300,000 due and payable on the Unsecured Promissory Note Maturity Date, subject to the provisions thereof, to be issued by SkyLink Aviation on the Plan Implementation Date in favour of the Affected Unsecured Creditors with Allowed Affected Unsecured Claims and held by the Applicant, for the benefit of the beneficiaries of such promissory note, pending distribution of the Unsecured Promissory Note Proceeds, which promissory note shall accrue 2% payment-in-kind interest annually (which payment-in-kind interest shall be held by the Applicant in a segregated account for the benefit of beneficiaries of the Unsecured Promissory Note), shall be subordinated to all indebtedness and trade obligations of SkyLink Aviation and may be repaid by the Applicant at any time without penalty.

**“Unsecured Promissory Note Entitlement”** means, with respect to each Affected Unsecured Creditor with an Allowed Unsecured Claim, its entitlement to its Unsecured Creditor’s Pro-Rata Share of the Unsecured Promissory Note Proceeds.

**“Unsecured Promissory Note Maturity Date”** means the earlier of the date that is 5 years following the Plan Implementation Date and the date on which the Applicant repays the Unsecured Promissory Note in accordance with its terms.

**“Unsecured Promissory Note Proceeds”** means the amount payable to the beneficiaries of the Unsecured Promissory Note on the Unsecured Promissory Note Maturity Date (including the principal amount of the Unsecured Promissory Note and the interest thereon), subject to the terms and conditions of the Unsecured Promissory Note.

**“Voting Claims”** means any Claim or portion thereof that has been finally allowed as a Voting Claim (as defined in the Claims Procedure Order) for purposes of voting at a Meeting in accordance with the Claims Procedure Order or a Final Order of the Court.

**“Voting Classes”** means the Secured Noteholders Class and the Affected Unsecured Creditors Class.

**“Website”** means:

<http://www.duffandphelps.com/services/restructuring/Pages/RestructuringCases.aspx>.

## **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, modified, or supplemented;
- (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” intended as complete or accurate descriptions of the content thereof;
- (e) 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;
- (f) 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;

- (g) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. (Toronto time) on such Business Day;
- (h) 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;
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all 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; and
- (j) references to a specified “article” or “section” shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of the Plan, whereas 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.

### **1.3 Successors and Assigns**

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

### **1.4 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 jurisdiction of the Court.

### **1.5 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”	Terms of New Second Lien Notes
Schedule “B”	Released Directors/Officers
Schedule “C”	Released Shareholders

Schedule “D”

Director/Officer Wages Claims

## **ARTICLE 2**

### **PURPOSE AND EFFECT OF THE PLAN**

#### **2.1 Purpose**

The purpose of the Plan is:

- (a) to implement a recapitalization of SkyLink Aviation, which will significantly reduce its indebtedness;
- (b) to provide for a settlement of, and consideration for, all Allowed Affected Claims;
- (c) to effect a release and discharge of all Affected Claims and Released Claims;
- (d) to provide SkyLink Aviation with essential committed financing to address its current and future liquidity needs; and
- (e) to ensure the continued viability and ongoing operations of SkyLink Aviation,

in the expectation that the Persons who have an economic interest in the Applicant, when considered as a whole, will derive a greater benefit from the implementation of the Plan than would result from a bankruptcy of the Applicant.

#### **2.2 Persons Affected**

The Plan provides for a full and final release and discharge of the Affected Claims and Released Claims, a settlement of, and consideration for, all Allowed Affected Claims and a recapitalization of the Applicant. The Plan will become effective at the Effective Time in accordance with its terms and in the sequence set forth in section 5.4 and shall be binding on and enure to the benefit of the Applicant, the Affected Creditors, the Released Parties and all other Persons named or referred to in, or subject to, the Plan.

#### **2.3 Persons Not Affected**

The Plan does not affect the Unaffected Creditors, subject to the express provisions hereof providing for the treatment of Insured Claims. Nothing in the Plan shall affect the Applicant's rights and defences, both legal and equitable, with respect to any Unaffected Claims including all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

#### **2.4 Equity Claimants**

On the Plan Implementation Date, the Plan will be binding on SkyLink Aviation and all Equity Claimants. Equity Claimants shall not receive a distribution under the Plan or otherwise recover anything in respect of their Equity Claims or Equity Interests. On the Plan Implementation Date, in accordance with the steps and sequences set out in section 5.4, all Equity Interests shall be

cancelled and extinguished and all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

### **ARTICLE 3**

#### **CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS**

##### **3.1 Claims Procedure**

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

##### **3.2 Classification of Creditors**

In accordance with the Meetings Order, the only classes of creditors for the purposes of considering and voting on the Plan will be the Secured Noteholders Class and the Affected Unsecured Creditors Class. For greater certainty, Equity Claimants shall not be entitled to vote on the Plan or to receive any distributions hereunder.

##### **3.3 Creditors' Meetings**

The Meetings shall be held in accordance with the Meetings Order and any further Order of the Court. The only Persons entitled to attend the Meetings are those specified in the Meetings Order.

##### **3.4 Treatment of Affected Claims**

An Affected Claim shall receive distributions as set forth below only to the extent that such Claim is an Allowed Affected Claim and has not been paid, released, or otherwise satisfied prior to the Plan Implementation Date.

###### **(1) Secured Noteholders Class**

In accordance with the steps and sequence set forth in section 5.4, each Secured Noteholder will, in full and final satisfaction of the Secured Noteholders Allowed Secured Claim, receive its Secured Noteholder's Pro-Rata Share of:

- (a) 25% of the New Common Shares issued and outstanding on the Plan Implementation Date; and
- (b) the New Second Lien Notes.

The Claims comprising the Secured Noteholders Allowed Claim and the Secured Note Obligations shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date.

**(2) Affected Unsecured Creditors Class**

In accordance with the steps and sequence set forth in section 5.4, and in full and final satisfaction of all Affected Unsecured Claims, each Affected Unsecured Creditor with an Allowed Affected Unsecured Claim will receive its Unsecured Promissory Note Entitlement. All Affected Unsecured Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date.

**(3) Equity Claimants**

In accordance with the steps and sequences set forth in section 5.4, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged cancelled and barred on the Plan Implementation Date. Equity Claimants will not receive any consideration or distributions under the Plan and shall not be entitled to vote on the Plan at the Meetings in respect of their Equity Claims.

**3.5 Unaffected Claims**

- (a) Unaffected Creditors will not receive any consideration or distributions under the Plan in respect of their Unaffected Claims (except to the extent their Unaffected Claims are paid in full on the Plan Implementation Date in accordance with the express terms of section 5.4), and they shall not be entitled to vote on the Plan at the Meetings in respect of their Unaffected Claims.
- (b) Notwithstanding anything to the contrary herein, Insured Claims shall not be compromised, released, discharged, cancelled and barred by this Plan, provided that from and after the Plan Implementation Date, any Person having an Insured Claim shall be irrevocably limited to recovery in respect of such Insured Claim solely from the proceeds of the applicable Insurance Policies, and Persons with any Insured Claims shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from any Person, including SkyLink Aviation, any SkyLink Subsidiary or any Released Party, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. This section 3.5(b) may be relied upon and raised or pled by SkyLink Aviation, any SkyLink Subsidiary or any Released Party in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this section. Nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any insurer in respect of an Insurance Policy or any insured in respect of an Insured Claim.

**3.6 Disputed Distribution Claims**

Any Affected Unsecured Creditor with a Disputed Distribution Claim shall not be entitled to receive any distribution hereunder with respect to such Disputed Distribution Claim unless and until such Claim becomes an Allowed Affected Unsecured Claim. A Disputed Distribution Claim shall be resolved in the manner set out in the Claims Procedure Order. Distributions pursuant to section 3.4 shall be paid in respect of any Disputed Distribution Claim that is finally



determined to be an Allowed Affected Unsecured Claim in accordance with the Claims Procedure Order.

### **3.7 Director/Officer Claims**

- (a) All Released Director/Officer Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date. Any Director/Officer Claim that is not a Released Director/Officer Claim will not be compromised, released, discharged, cancelled and barred. For greater certainty, any Claim of a Director or Officer for indemnification from the Applicant in respect of any Director/Officer Claim that is not otherwise covered by the Directors' Charge shall be treated for all purposes under this Plan as an Affected Unsecured Claim.
- (b) Notwithstanding anything to the contrary herein, the Director/Officer Wages Claims shall not be compromised, released, discharged, cancelled or barred by this Plan, provided that from and after the Plan Implementation Date, any Person having Director/Officer Wages Claim shall be irrevocably limited to recovery in respect of such Director/Officer Wages Claim solely from the proceeds of the applicable Insurance Policies, and Persons with any Director/Officer Wages Claims shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from any Person, including SkyLink Aviation, any SkyLink Subsidiary, any Released Director/Officer or any other Released Party, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. This section 3.7(b) may be relied upon and raised or pled by SkyLink Aviation, any SkyLink Subsidiary, any Released Director/Officer or any other Released Party in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this section. Nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any insurer in respect of an Insurance Policy or any insured in respect of Director/Officer Claims or Director/Officer Wages Claims.

### **3.8 Extinguishment of Claims**

On the Plan Implementation Date in accordance with its terms and in the sequence set forth in section 5.4 and in accordance with the provisions of the Sanction Order, the treatment of Affected Claims (including Allowed Claims and Disputed Distribution Claims) and all Released Claims, in each case as set forth herein, shall be final and binding on the Applicant, all Affected Creditors (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and any Person holding a Released Claim, and all Affected Claims and all Released Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Released Parties shall thereupon have no further obligation whatsoever in respect of the Affected Claims and the Released Claims, as applicable; *provided that* nothing herein releases the Applicant or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Plan and *provided further* that such discharge and release of the Applicant shall be without prejudice to the right of a Creditor in respect of a Disputed Distribution Claim to prove such Disputed Distribution Claim in



accordance with the Claims Procedure Order so that such Disputed Distribution Claim may become an Allowed Unsecured Claim entitled to receive consideration under section 3.4 hereof.

### **3.9 Guarantees and Similar Covenants**

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

### **3.10 Set-Off**

The law of set-off applies to all Claims.

## **ARTICLE 4 PROVISIONS REGARDING DISTRIBUTIONS AND PAYMENTS**

### **4.1 Distributions to Secured Noteholders**

- (a) This section 4.1 sets forth the distribution mechanics with respect to the New Common Shares and the New Second Lien Notes that are to be distributed to the Secured Noteholders in accordance with section 3.4(1).
- (b) Upon receipt of and in accordance with written instructions from the Monitor, the Secured Note Indenture Trustee shall instruct CDS to and CDS shall: (i) establish an escrow position representing the respective positions of the Secured Noteholders as of the Plan Implementation Date for the purpose of making distributions to the Secured Noteholders on and after the Plan Implementation Date; and (ii) block any further trading in the Secured Notes, effective as of the close of business on the Business Day immediately prior to the Plan Implementation Date, all in accordance with the customary procedures of CDS.
- (c) (i) The delivery of New Second Lien Notes to the Secured Noteholders will be made through the facilities of CDS to CDS Participants, who, in turn, shall make delivery of interests in such New Second Lien Notes to the beneficial holders of such Secured Notes pursuant to standing instructions and customary practices; provided that, if the New Second Lien Notes are not CDS eligible, delivery of any such New Second Lien Notes will be made to the Secured Note Indenture Trustee who, in turn, will make delivery of the applicable New Second Lien Notes to each of the Secured Noteholders through the direct registration system of Computershare (or such other transfer agent as SkyLink Aviation may appoint); and (ii) the delivery of New Common Shares to the Secured Noteholders will be made as follows:
  - (A) immediately following the close of business on the Business Day prior to the Plan Implementation Date, CDS shall provide the Monitor with a list showing the names and addresses of all Persons who are CDS participant holders of the Secured Notes (“CDS

**Participants**”) and the principal amount of Secured Notes held by each CDS Participant as at the close of business on the Business Day prior to the Plan Implementation Date;

- (B) the Monitor shall forthwith provide all such information to the Applicant; and
- (C) on the Plan Implementation Date, the Applicant shall, in accordance with the information provided by the Monitor pursuant to section 4.1(c)(ii)(B), register or deliver, as applicable, to the CDS Participants, the applicable amount of New Common Shares,

provided that, subject to the consent of the Monitor and the Majority Initial Consenting Noteholders, the Applicant shall be entitled to make such modifications to the administrative process for distributing New Common Shares and New Second Lien Notes as it deems necessary in order to achieve the proper distribution and allocation of New Common Shares and New Second Lien Notes as set forth herein.

- (d) The Applicant and the Monitor shall have satisfied their responsibilities in respect of the distribution of New Common Shares and New Second Lien Notes to the Secured Noteholders in accordance with section 3.4(1) once such New Common Shares and New Second Lien Notes have been delivered to CDS, the CDS Participants or the Secured Note Indenture Trustee, as applicable. The SkyLink Companies and the Monitor will have no liability or obligation in respect of deliveries from CDS, or its nominee, to CDS Participants or from CDS Participants to beneficial holders of the Secured Notes or from the Secured Note Indenture Trustee to beneficial holders of the Secured Notes.

#### **4.2 Distribution Mechanics with Respect to the Unsecured Promissory Note**

- (a) The Unsecured Promissory Note shall be issued by SkyLink Aviation and shall be held by the Applicant on behalf of all Affected Unsecured Creditors with an Allowed Affected Unsecured Claim and, subject to the terms and conditions thereof, each such Affected Unsecured Creditor shall become entitled to its Unsecured Promissory Note Entitlement on the Plan Implementation Date without any further steps or actions by the Applicant, such Affected Unsecured Creditor or any other Person.
- (b) From and after the Plan Implementation Date, and until all Unsecured Promissory Note Proceeds have been distributed in accordance with this Plan, the Applicant shall maintain a register of the Unsecured Promissory Note Entitlement of each applicable Affected Unsecured Creditor as well as the address and notice information set forth on such Affected Unsecured Creditor’s Notice of Claim or Proof of Claim or, with respect to any Affected Unsecured Creditor that is a Secured Noteholder, the delivery details of the Secured Note Indenture Trustee. Any applicable Affected Unsecured Creditor whose address or notice information

changes shall be solely responsible for notifying the Applicant of such change. The Applicant shall also record on the register the aggregate amount of any Disputed Distribution Claims.

- (c) On the Unsecured Promissory Note Maturity Date, the Applicant shall calculate the amount to be paid to each Affected Unsecured Creditor with an Allowed Unsecured Claim or the Secured Note Indenture Trustee. The Applicant shall also calculate the amount of the Unsecured Promissory Note Proceeds that are not to be distributed as a result of Disputed Distribution Claims that remain outstanding, if any. The Applicant shall then distribute to each Affected Unsecured Creditor with an Allowed Affected Unsecured Claim the applicable amount:
  - (i) in the case of distributions to Secured Noteholders, in the manner described in section 4.1; and
  - (ii) in the case of distributions to all other Affected Unsecured Creditors, by way of cheque sent by prepaid ordinary mail.

With respect to any portion of the Unsecured Promissory Note Proceeds that are reserved in respect of Disputed Distribution Claims, the Applicant shall forthwith segregate such amounts to establish the Disputed Distribution Claims Reserve.

#### **4.3 Other Distributions**

- (a) The distributions to be made to: the DIP Backstop Parties pursuant to section 5.3(1), the New Lenders pursuant to section 5.3(2) and the Initial Consenting Noteholders pursuant to section 5.3(3) shall be made in accordance with this section 4.3.
- (b) At least ten (10) Business Days prior to the Plan Implementation Date, the Applicant shall provide the Monitor with copies of the DIP Backstop Commitment Letter, the DIP Participation Documents (as defined in the Initial Order), if any, and the Support Agreement. Based on the foregoing, the Monitor shall forthwith (A) contact each DIP Backstop Party, New Lender and Initial Consenting Noteholder to ascertain its registration and delivery details for purposes of registering or delivering distributions to such Person, and (b) calculate the following:
  - (i) with respect to each DIP Backstop Party, such DIP Backstop Party's Pro-Rata Share;
  - (ii) with respect to each of the New Lenders, such New Lender's Pro-Rata Share; and
  - (iii) with respect to each of the Initial Consenting Noteholders, such Initial Consenting Noteholder's Pro-Rata Share,

and the Monitor shall provide all such information to the Applicant at least two (2) Business Days prior to the Plan Implementation Date.

- (c) On the Plan Implementation Date, the Applicant shall, upon receipt of and in accordance with a written direction of the Monitor prepared based on the information received by the Monitor pursuant to section 4.3(b), register or deliver, as applicable, to the DIP Backstop Parties, the New Lenders and the Initial Consenting Noteholders, the applicable amount of New Common Shares as so directed by the Monitor.

#### **4.4 Cancellation of Certificates and Notes**

Following completion of the steps in the sequence set forth in section 5.4, all debentures, notes (including the Secured Notes and the Secured Note Obligations), certificates, agreements, invoices and other instruments evidencing Affected Claims or Equity Interests will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and will be cancelled and will be null and void. Notwithstanding the foregoing, the Secured Note Indenture shall remain in effect for the purpose of and to the extent necessary to: (i) allow the Secured Note Indenture Trustee to make distributions to the Secured Noteholders on the Initial Distribution Date and each subsequent Distribution Date thereafter; and (ii) maintain all of the protections the Secured Note Indenture Trustee enjoys as against the Secured Noteholders, including its lien rights with respect to any distributions under this Plan, until all distributions are made to Secured Noteholders hereunder. For greater certainty, any and all obligations, including the Secured Note Obligations, of the Applicant and the SkyLink Companies (as guarantor, surety or otherwise) under and with respect to the Secured Notes and the Secured Note Indenture shall not continue beyond the Plan Implementation Date.

#### **4.5 Currency**

Unless specifically provided for in the Plan or the Sanction Order, for the purposes of distributions under the Plan, a Claim shall be denominated in Canadian dollars and all payments and distributions to the Affected Creditors on account of their Claims shall be made in Canadian dollars. Any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon exchange rate in effect at the Filing Date.

#### **4.6 Interest**

Interest shall not accrue or be paid on Affected Claims on or after the Filing Date, and no holder of an Affected Claim shall be entitled to interest accruing on or after the Filing Date.

#### **4.7 Allocation of Distributions**

All distributions made pursuant to the Plan shall be allocated first towards the repayment of the principal amount in respect of such Affected Creditor's Affected Claim and second, if any, towards the repayment of all accrued but unpaid interest in respect of such Affected Creditor's Affected Claim.

#### **4.8 Treatment of Undeliverable Distributions**

If any Affected Creditor's distribution under this Article 4 is returned as undeliverable (an **"Undeliverable Distribution"**), no further distributions to such Affected Creditor shall be made unless and until the Applicant is notified by such Affected Creditor of such Affected Creditor's current address, at which time all such distributions shall be made to such Affected Creditor. All claims for Undeliverable Distributions in respect of Allowed Claims must be made on or before the date that is six months following the final Distribution Date, after which date any entitlement with respect to such Undeliverable Distribution shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any federal, state or provincial laws to the contrary, at which time any such Undeliverable Distributions in relation to the Allowed Claim shall be returned to SkyLink Aviation. Nothing contained in the Plan shall require the Applicant to attempt to locate any holder of an Allowed Claim. No interest is payable in respect of an Undeliverable Distribution. Any distribution under this Plan on account of the Secured Notes shall be deemed made when delivered to CDS, the CDS Participants or the Secured Note Indenture Trustee, as applicable, for subsequent distribution to Secured Noteholders in accordance with this Article 4.

#### **4.9 Withholding Rights**

SkyLink Aviation, CDS, the Secured Note Indenture Trustee and/or the Monitor shall be entitled to deduct and withhold from any consideration payable to any Person such amounts as SkyLink Aviation, CDS, the Secured Note Indenture Trustee and/or the Monitor is required to deduct and withhold with respect to such payment under the Canadian Tax Act, or other Applicable Laws, or entitled to withhold under section 116 of the Canadian Tax Act or corresponding provision of provincial or territorial law. To the extent that amounts are so withheld or deducted, such withheld or deducted amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate Taxing Authority. SkyLink Aviation, CDS, the Secured Note Indenture Trustee and/or the Monitor are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to SkyLink Aviation, CDS, the Secured Note Indenture Trustee and/or the Monitor, as the case may be, to enable it to comply with such deduction or withholding requirement or entitlement, and SkyLink Aviation, CDS, the Secured Note Indenture Trustee and/or the Monitor, shall notify the Person thereof and remit to such Person any unapplied balance of the net proceeds of such sale.

#### **4.10 Fractional Interests**

No fractional interests of New Common Shares or New Second Lien Notes (**"Fractional Interests"**) will be issued under this Plan. Recipients of New Common Shares and New Second Lien Notes will have their entitlements adjusted downwards to the nearest whole number of New Common Shares or New Second Lien Notes, as applicable, to eliminate any such Fractional Interests and no compensation will be given for the Fractional Interest.

#### **4.11 Calculations**

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or SkyLink Aviation and

agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Applicant.

## **ARTICLE 5 RECAPITALIZATION**

### **5.1 Corporate Actions**

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving corporate action of the Applicant will occur and be effective as of the Plan Implementation Date, 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, directors or officers of the Applicant. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of the Applicant, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by the Plan shall be deemed to be effective and shall have no force and effect.

### **5.2 Issuance of New Common Shares, New Second Lien Notes and the Unsecured Promissory Note**

#### **(1) New Common Shares**

On the Plan Implementation Date, SkyLink Aviation shall issue the Agreed Number of New Common Shares, and such New Common Shares shall be allocated and distributed in the manner set forth in this Plan.

#### **(2) Issuance of New Second Lien Notes**

On the Plan Implementation Date, SkyLink Aviation shall issue the New Second Lien Notes pursuant to the New Second Lien Indenture, and such New Second Lien Notes shall be allocated and distributed in the manner set forth in this Plan.

#### **(3) Unsecured Promissory Note**

On the Plan Implementation Date, SkyLink Aviation shall issue the Unsecured Promissory Note and the Unsecured Promissory Note Entitlement shall be allocated in the manner set forth in this Plan.

### **5.3 DIP Backstop and New First Credit Facility**

#### **(1) DIP Backstop**

On the Plan Implementation Date, in accordance with the steps and sequence set out in Section 5.4, each DIP Backstop Party shall receive its DIP Backstop Party's Pro Rata Share of 10% of the New Common Shares issued and outstanding on the Plan Implementation Date.

**(2) New First Lien Credit Facility**

On the Plan Implementation Date, in accordance with the steps and sequence set out in Section 5.4, the DIP Facility shall be converted into the New First Lien Loan in accordance with the DIP Agreement and each New Lender shall receive its New Lender's Pro-Rata Share of 60% of the New Common Shares issued and outstanding on the Plan Implementation Date.

**(3) Structuring Equity**

On the Plan Implementation Date, in accordance with the steps and sequence set out in Section 5.4, each Initial Consenting Noteholder shall receive its Initial Consenting Noteholder's Pro-Rata Share of 5% of the New Common Shares issued and outstanding on the Plan Implementation Date in respect of the Structuring Equity.

**5.4 Plan Implementation Date Transactions**

The following steps and compromises and releases to be effected in the implementation of the Plan shall occur, and be deemed to have occurred in the following order in five minute increments (unless otherwise noted), without any further act or formality on the Plan Implementation Date beginning at the Effective Time:

- (a) all Options shall be cancelled and terminated without any liability, payment or other compensation in respect thereof;
- (b) the Company Stock Option Plans shall be terminated;
- (c) the Applicant shall borrow such amounts from the DIP Facility as are necessary to repay in full all amounts owing in respect of the First Lien Credit Facility, and the Applicant shall thereupon pay all such amounts to the First Lien Agent in full and final satisfaction of the First Lien Credit Facility;
- (d) the First Lien Credit Agreement and the First Lien Credit Facility shall be deemed to be terminated and the Applicant and the SkyLink Companies shall be fully, finally, irrevocably and forever released from any and all claims, liabilities or obligations of any kind to the First Lien Agent or the First Lien Lenders in respect of the First Lien Credit Agreement and the First Lien Credit Facility;
- (e) SkyLink Aviation shall issue to each Secured Noteholder its Secured Noteholder's Pro-Rata Share of the New Common Shares and New Second Lien Secured Notes to be issued to it in accordance with section 3.4(1) in full consideration for the irrevocable, final and full compromise and satisfaction of the Secured Noteholders Allowed Secured Claim;
- (f) simultaneously with step 5.4(e), the DIP Facility shall be deemed to be converted into the New First Lien Loans in accordance with the DIP Agreement and SkyLink Aviation shall issue to each New Lender its New Lender's Pro Rata Share of the New Common Shares to be issued to it in accordance with section 5.3(2);



- (g) simultaneously with step 5.4(e), SkyLink Aviation shall issue to each DIP Backstop Party its DIP Backstop Party's Pro-Rata Share of New Common Shares to be issued to it in accordance with section 5.3(1);
- (h) simultaneously with step 5.4(e), each Affected Unsecured Creditor with an Allowed Affected Unsecured Claim shall become entitled to its Unsecured Promissory Note Entitlement in accordance with section 3.4(2) (as such Unsecured Promissory Note Entitlement may be adjusted based on the final determination of Disputed Distribution Claims in the manner set forth herein) in full consideration for the irrevocable, final and full compromise and satisfaction of such Affected Unsecured Creditor's Affected Unsecured Claim;
- (i) simultaneously with step 5.4(e), SkyLink Aviation shall issue to each of the Initial Consenting Noteholders its Initial Consenting Noteholder's Pro-Rata Share of the New Common Shares to be issued to it on account of the Structuring Equity in accordance with section 5.3(3);
- (j) the Articles shall be amended, pursuant to the Articles of Reorganization, to, among other things, (i) consolidate the issued and outstanding Class A Shares (including, for the avoidance of doubt, Class A Shares that are Existing Shares and New Common Shares issued pursuant to the preceding paragraphs of this Section 5.4) on the basis of the Consolidation Ratio; (ii) eliminate the Class B Shares; and (iii) provide for such additional changes to the rights and conditions attached to the Class A Shares as may be agreed to by the Applicant, the Monitor and the Majority Initial Consenting Noteholders;
- (k) pursuant to the Articles of Reorganization, any fractional Class A Shares held by any holder of Class A Shares immediately following the consolidation of the Class A Shares referred to in section 5.4(j) shall be cancelled without any liability, payment or other compensation in respect thereof;
- (l) all Equity Interests (for greater certainty, not including any Class A Shares that remain issued and outstanding immediately following the cancellation of fractional interests in section 5.4(k)) and the Shareholder Agreement shall be cancelled without any liability, payment or other compensation in respect thereof;
- (m) a number of New Common Shares representing up to 10% of the number of New Common Shares issued and outstanding immediately following step 5.4(k) shall be reserved for issuance by the Applicant after the Plan Implementation Date to directors, officers and employees of the Applicant pursuant to equity-based compensation arrangements to be determined at the discretion of the new board of directors of SkyLink Aviation appointed pursuant to the Sanction Order (the "**Incentive Plan**"), provided that, for greater certainty, the New Common Shares reserved in respect of such Incentive Plan will, if granted, dilute the New Common Shares to be issued to the Secured Noteholders, the New Lenders, the DIP Backstop Parties and the Initial Consenting Noteholders on the Plan Implementation Date in accordance with this Plan;



- (n) SkyLink Aviation shall pay in cash all fees and expenses incurred by the Secured Note Indenture Trustee, including its reasonable legal fees, in connection with the performance of its duties under the Secured Note Indenture or this Plan;
- (o) all of the Secured Notes and the Secured Note Indenture and all Secured Note Obligations shall be deemed to be fully, finally, irrevocably and forever compromised, released, discharged cancelled and barred;
- (p) SkyLink Aviation shall make all distributions to KERP participants in accordance with the terms of the KERP;
- (q) SkyLink Aviation shall pay to each of the Noteholder Advisors such Noteholder Advisor's pro rata share of the Expense Reimbursement;
- (r) each of the Charges shall be terminated, discharged and released;
- (s) the releases set forth in Article 7 shall become effective; and
- (t) the stated capital account in respect of the issued and outstanding shares in the capital of SkyLink Canadian Subsidiary shall be reduced to \$1.00 with no payment thereon.

The steps described in sub-sections (j), (k) and (t) of this section 5.4 will be implemented pursuant to section 6(2) of the CCAA as if such steps were implemented pursuant to a plan of reorganization under section 186 of the OBCA.

### **5.5 Issuances Free and Clear**

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

### **5.6 Stated Capital**

The aggregate stated capital for purposes of the OBCA for the New Common Shares issued pursuant to this Plan will be as determined by the new board of directors of SkyLink Aviation appointed pursuant to the Sanction Order.

### **5.7 Post-Plan Implementation Date Amalgamation**

On the Business Day following the Plan Implementation Date or a later date to be agreed between the Applicant and the Majority Initial Consenting Noteholders, the Articles of Amalgamation will be filed such that SkyLink Aviation will be amalgamated with SkyLink Canadian Subsidiary pursuant to the OBCA.

**ARTICLE 6**  
**PROCEDURE FOR DISTRIBUTIONS REGARDING DISPUTED DISTRIBUTION**  
**CLAIMS**

**6.1 No Distribution Pending Allowance**

An Affected Unsecured Creditor holding a Disputed Distribution Claim will not be entitled to receive a distribution under the Plan in respect of such Disputed Distribution Claim or any portion thereof unless and until, and then only to the extent that, such Disputed Distribution Claim becomes an Allowed Unsecured Claim.

**6.2 Distributions After Disputed Distribution Claims Resolved**

- (a) Distributions from Unsecured Promissory Note Proceeds in relation to a Disputed Distribution Claim of an Affected Unsecured Creditor in existence at the Unsecured Promissory Note Maturity Date will be held by the Applicant, in a segregated account constituting the Disputed Distribution Claims Reserve, for the benefit of the Affected Unsecured Creditors with Allowed Affected Unsecured Creditor Claims until the final determination of the Disputed Distribution Claim in accordance with the Claims Procedure Order and this Plan.
- (b) To the extent that any Disputed Distribution Claim becomes an Allowed Affected Unsecured Claim in accordance with this Plan, the Applicant shall distribute (on the next Distribution Date) to the holder of such Allowed Affected Unsecured Claim, an amount from the Disputed Distribution Claims Reserve equal to the Unsecured Promissory Note Entitlement that such Affected Unsecured Creditor would have been entitled to receive in respect of its Allowed Affected Unsecured Claim on the Unsecured Promissory Note Distribution Date had such Disputed Distribution Claim been an Allowed Affected Unsecured Claim on such date.
- (c) On the date that all Disputed Distribution Claims have been finally resolved in accordance with the Claims Procedure Order and any required distributions contemplated in paragraph 6.2(b) have been made, if (i) the aggregate value of Unsecured Promissory Note Proceeds remaining in the Disputed Distribution Claims Reserve is less than \$10,000, the Applicant shall release to SkyLink Aviation any proceeds held in the Disputed Distribution Claims Reserve and such proceeds shall be returned to SkyLink Aviation; or (ii) the aggregate value of Unsecured Promissory Note Proceeds remaining in the Disputed Distribution Claims Reserve is greater than or equal to \$10,000, the Applicant shall distribute such proceeds to the Affected Unsecured Creditors with Allowed Affected Unsecured Claims such that after giving effect to such distributions each such Affected Unsecured Creditor has received its applicable Unsecured Creditor's Pro-Rata Share of such proceeds.

## ARTICLE 7 RELEASES

### 7.1 Plan Releases

- (a) On the Plan Implementation Date, in accordance with the sequence set forth in section 5.4,(i) the Applicant, the Applicant's employees, auditors, financial advisors, legal counsel and agents, the Released Shareholders, the Released Directors/Officers, the SkyLink Subsidiaries and the directors and officers of any SkyLink Subsidiary, and each and every auditor, financial advisor and legal counsel of the foregoing Persons (in each case, in that capacity only) and (ii) the Monitor, the Monitor's counsel the Secured Note Indenture Trustee, the Consenting Noteholders, the DIP Lenders, the Company Advisors, the Noteholder Advisors and each and every present and former shareholder, affiliate, subsidiary, director, officer, member (including members of any committee or governance council), partner, employee, auditor, financial advisor, legal counsel and agent of any of the foregoing Persons (in each case, in that capacity only) (each of the Persons named in (i) or (ii) of this section 7.1(a), in their capacity as such, being herein referred to individually as a "**Released Party**" and all referred to collectively as "**Released Parties**") shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature, including claims for contribution or indemnity which any Creditor or other Person may be entitled to assert (including any and all of the foregoing in respect of the payment and receipt of proceeds and statutory or common law liabilities of Directors or Officers, current or former directors or officers of the SkyLink Subsidiaries, members or employees of the Applicant and any alleged fiduciary or other duty (in any capacity whatsoever)), whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act, 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 Secured Notes and related guarantees, the Secured Note Indenture, the Secured Note Obligations, the IPSA, the Support Agreement, any Support Agreement Joinder, the DIP Backstop Commitment Letter, the DIP Agreement, the DIP Facility, the First Lien Facility, the Equity Interests, the Company Stock Option Plans, the New First Lien Loans, the New Common Shares, the New Second Lien Notes, the Unsecured Promissory Note, any Claims, any Director/Officer Claims, the business and affairs of the Applicant whenever or however conducted, the administration and/or management of the Applicant, the Recapitalization, the Plan, the CCAA Proceeding or any matter or transaction involving any of the SkyLink Companies taking place in connection with the Recapitalization or the Plan (referred to collectively as the "**Released**

**Claims**”), and all Released Claims shall be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, all to the fullest extent permitted by Applicable Law; provided that nothing herein will release or discharge (w) the right to enforce the Applicant’s obligations under the Plan, (x) any Released Party if the Released Party is determined by a Final Order of a court of competent jurisdiction to have committed fraud or wilful misconduct, (y) the Applicant from or in respect of any Unaffected Claim or any Claim that is not permitted to be released pursuant to section 19(2) of the CCAA, or (z) any Director or Officer from any Director/Officer Claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

- (b) Notwithstanding anything to the contrary in section 7.1(a), Insured Claims and Director/Officer Wages Claims shall not be compromised, released, discharged, cancelled and barred by this Plan, provided that from and after the Plan Implementation Date, any Person having an Insured Claim or a Director/Officer Wages Claim shall be irrevocably limited to recovery in respect of such Insured Claim or Director/Officer Wages Claim solely from the proceeds of the applicable Insurance Policies, and Persons with any Insured Claim or Director/Officer Wages Claims shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from SkyLink Aviation, any SkyLink Subsidiary, any Released Director/Officer or any other Released Party, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies.

## **7.2 [Intentionally Deleted]**

## **7.3 Injunctions**

All Persons are permanently and forever barred, estopped, stayed and enjoined, on 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 action, 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 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 the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of this Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan. For greater certainty, the provisions of this section 7.3 shall apply to Insured Claims and Director/Officer Wages Claims in the same manner as Released Claims, except to the extent that the rights of

such Persons to enforce such Insured Claims and/or Director/Officer Wages Claims against an insurer in respect of an Insurance Policy are expressly preserved pursuant to section 3.5(b), section 3.7(b) and/or section 7.1(b), and provided further that, notwithstanding the restrictions on making a claim that are set forth in sections 3.5(b), 3.7(b) and 7.1(b), any claimant in respect of an Insured Claim or a Director/Officer Wages Claim that was duly filed with the Monitor by the Claims Bar Date shall be permitted to file a statement of claim in respect thereof to the extent necessary solely for the purpose of preserving such claimant's ability to pursue such Insured Claim or Director/Officer Wages Claim against an insurer in respect of an Insurance Policy in the manner authorized pursuant to section 3.5(b), section 3.7(b) and/or section 7.1(b).

## **ARTICLE 8 COURT SANCTION**

### **8.1 Application for Sanction Order**

If the Required Majorities of the Affected Creditors in each Voting Class approves the Plan, the Applicant shall apply for the Sanction Order on or before the date set for the hearing of the Sanction Order or such later date as the Court may set. The Sanction Order shall not become effective until the Plan Implementation Date.

### **8.2 Sanction Order**

The Sanction Order shall, among other things:

- (a) declare that (i) the Plan has been approved by the Required Majorities of Affected Creditors in each Voting Class in conformity with the CCAA; (ii) the activities of the Applicant have been in reasonable compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceeding in all respects; (iii) the Court is satisfied that the Applicant has not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;
- (b) declare that as of the Effective Time, the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved, binding and effective as herein set out upon and with respect to the Applicant, all Affected Creditors, the Directors and Officers, any Person with a Director/Officer Claim, the Released Parties and all other Persons named or referred to in, or subject to, the Plan;
- (c) declare 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 5.4 on the Plan Implementation Date, beginning at the Effective Time;
- (d) declare that the New Shareholders' Agreement shall be effective and binding on all holders of the New Common Shares and any Person entitled to receive New Common Shares pursuant to the Plan immediately upon issuance of the New

Common Shares to such Person, with the same force and effect as if such Persons were signatories to the New Shareholders' Agreement;

- (e) compromise, discharge and release the Applicant from any and all Affected Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against the Applicant in respect of or relating to any Affected Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims;
- (f) subject to section 3.7(b) and section 7.1(b), compromise, discharge and release the Released Directors/Officers from any and all Released Director/Officer Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against the Released Directors/Officers in respect of or relating to any Released Directors/Officers Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Released Director/Officer Claims be permanently stayed;
- (g) declare that, subject to performance by the Applicant of its obligations under the Plan and except as provided in the Plan, all obligations, agreements or leases to which any of the Applicant or SkyLink Companies 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 any other party thereto to enforce those rights or remedies;
  - (ii) that the Applicant has sought or obtained relief or has taken steps as part of the Plan or under the CCAA;
  - (iii) of any default or event of default arising as a result of the financial condition or insolvency of the Applicant;
  - (iv) of the effect upon the Applicant of the completion of any of the transactions contemplated under the Plan; or
  - (v) of any compromises, settlements, restructurings, recapitalizations or reorganizations effected pursuant to the Plan,



and declare 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 the Applicant and the applicable Persons;

- (h) bar, stop, stay and enjoin the commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims and any matter which is released pursuant to Article 7 hereof;
- (i) bar, stop, stay and enjoin the commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with in respect of any Insured Claim or Director/Officer Wages Claim, except as against the applicable insurer(s) to the extent that rights to enforce such Insured Claims and/or Director/Officer Wages Claims against such insurer(s) in respect of an Insurance Policy are expressly preserved pursuant to section 3.5(b), section 3.7(b) and/or section 7.1(b), and provided that, notwithstanding the restrictions on making a claim that are set forth in sections 3.5(b), 3.7(b) and 7.1(b), any claimant in respect of an Insured Claim or a Director/Officer Wages Claim that was duly filed with the Monitor by the Claims Bar Date shall be permitted to file a statement of claim in respect thereof to the extent necessary solely for the purpose of preserving such claimant's ability to pursue such Insured Claim or Director/Officer Wages Claim against an insurer in respect of an Insurance Policy in the manner authorized pursuant to section 3.5(b), section 3.7(b) and/or section 7.1(b);
- (j) authorize the Monitor to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan;
- (k) declare that upon completion by the Monitor of its duties in respect of the Applicant pursuant to the CCAA and the Orders, the Monitor may file with the Court a certificate stating that all of its duties in respect of the Applicant pursuant to the CCAA and the Orders have been completed and thereupon, Duff & Phelps Canada Restructuring Inc. shall be deemed to be discharged from its duties as Monitor of the Applicant and released of all claims relating to its activities as Monitor;
- (l) subject to payment of any amounts secured thereby, declare that each of the Charges shall be terminated, discharged and released;
- (m) declare that the Applicant and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan; and



- (n) declare the Persons to be appointed to the board of directors of SkyLink Aviation on the Plan Implementation Date shall be the Persons on a certificate to be filed with the Court by SkyLink Aviation prior to the Plan Implementation Date, provided that such certificate and the Persons listed thereon shall be subject to the prior consent of the Majority Initial Consenting Noteholders.

## **ARTICLE 9**

### **CONDITIONS PRECEDENT AND IMPLEMENTATION**

#### **9.1 Conditions Precedent to Implementation of the Plan**

The implementation of the Plan shall be conditional upon satisfaction of the following conditions prior to or at the Effective Time, each of which is for the benefit of the Consenting Noteholders and may be waived by the Majority Initial Consenting Noteholders; provided, however, that the conditions in sub-paragraphs (a), (c), (d), (e), (g), (h), (i), (j) (as applicable), (l), (m) (as applicable), (n), (q), (r) and (r) shall also be for the benefit of the Applicant and, if not satisfied on or prior to the Effective Time, can only be waived by both the Applicant and Majority Initial Consenting Noteholders (provided that such conditions shall not be enforceable by the Applicant or the Majority Initial Consenting Noteholders if any failure to satisfy such conditions results from an action, error, omission by or within the control of the party seeking enforcement):

- (a) all definitive agreements in respect of the Recapitalization and the new (or amended) articles, by-laws and other constating documents, and all definitive legal documentation in connection with all of the foregoing shall be in a form agreed to in advance by the Applicant and the Majority Initial Consenting Noteholders;
- (b) the steps required to complete the Recapitalization shall be in form and in substance satisfactory to the Majority Initial Consenting Noteholders and shall not result in material adverse tax consequences for the Consenting Noteholders, which Consenting Noteholders shall, in each case, act reasonably;
- (c) New Second Lien Notes Indenture governing the New Second Lien Notes, together with all guarantees and security agreements contemplated thereunder, shall have been entered into and become effective, subject only to the implementation of the Plan, and all required filings related to the security as contemplated in the security agreements shall have been made;
- (d) the New First Lien Credit Agreement, together with all guarantees, intercreditor agreements and security agreements contemplated thereunder, shall have become effective;
- (e) the terms of the New Common Shares shall be satisfactory to the Applicant and the Majority Initial Consenting Noteholders;
- (f) all of the following shall be in form and in substance reasonably satisfactory to the Majority Initial Consenting Noteholders: (i) all materials filed by the Applicant with the Court that relate to the Recapitalization; (ii) the Initial Order,

as such Order may be amended or restated; (iii) the Meetings Order; (iv) the Claims Procedure Order; (v) the Sanction Order; and (vi) any other order granted in connection with the Recapitalization by the Court;

- (g) any and all court-imposed charges on any assets, property or undertaking of the Applicant shall have been discharged as at the Effective Time on terms acceptable to the Majority Initial Consenting Noteholders and the Applicant, acting reasonably;
- (h) all Material filings under Applicable Laws shall have been made and any Material regulatory consents or approvals that are required in connection with the Recapitalization shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated;
- (i) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Recapitalization that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit), the Recapitalization or any part thereof or requires or purports to require a variation of the Recapitalization;
- (j) the representations and warranties of the Applicant and the Consenting Noteholders set forth in the Support Agreement shall be true and correct in all material respects in accordance with the terms of the Support Agreement;
- (k) there shall not exist or have occurred any Material Adverse Effect;
- (l) all securities of the Applicant, when issued and delivered, shall be duly authorized, validly issued and fully paid and non-assessable and the issuance thereof shall be exempt from all prospectus and registration requirements of Applicable Laws;
- (m) all conditions set out in the Support Agreement shall have been satisfied or waived by the applicable parties pursuant to the terms of the Support Agreement;
- (n) the Support Agreement shall not have been terminated;
- (o) the Applicant's counsel shall have rendered customary opinions concerning the issuance of the new securities to be issued under the Plan;
- (p) the Articles of Reorganization shall have been filed on terms providing that they will become effective in accordance with and at the times of section 5.4(j), 5.4(k), 5.4(l);
- (q) all fees and expenses owing to the Company Advisors and the Noteholder Advisors shall have been paid as of the Plan Implementation Date, and SkyLink Aviation and the Majority Initial Consenting Noteholders shall be satisfied that

adequate provision has been made for any fees and expenses due or accruing due to the Company Advisors and the Majority Initial Consenting Noteholders from and after the Plan Implementation Date; and

- (r) the Sanction Order shall have been made and shall have become a Final Order.

## **9.2 Monitor's Certificate**

Upon delivery of written notice from the Applicant and Majority Initial Consenting Noteholders of the satisfaction or waiver of the conditions set out in section 9.1, the Monitor shall forthwith deliver to Bennett Jones LLP and the Applicant a certificate 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. As soon as practicable following the Plan Implementation Date, the Monitor shall file such certificate with the Court.

## **ARTICLE 10 GENERAL**

### **10.1 Binding Effect**

The Plan will become effective on the Plan Implementation Date. On the Plan Implementation Date:

- (a) 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 Applicant, all Affected Creditors, any Person having a Released Claim and all other Persons named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (b) all Affected Claims shall be forever discharged and released, excepting only the obligations in the manner and to the extent provided for in the Plan;
- (c) all Released Claims shall be forever discharged and released;
- (d) each Affected Creditor and each Person holding a Released Claim shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety; and
- (e) each Affected Creditor and each Person holding a Released Claim shall be deemed to have executed and delivered to the Applicant and to the Directors and Officers, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

### **10.2 Waiver of Defaults**

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Applicant then existing or previously committed by the Applicant, or caused by the Applicant, by any of the provisions in the Plan or steps contemplated in the Plan,

or 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 the Applicant and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Applicant from performing its obligations under the Plan or be a waiver of defaults by the Applicant under the Plan and the related documents.

### **10.3 Deeming Provisions**

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

### **10.4 Non-Consummation**

Subject to the terms of the Support Agreement, the Applicant reserves the right to revoke or withdraw the Plan at any time prior to the Sanction Date. If the Applicant revokes or withdraws 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, including the fixing or limiting to an amount certain any Claim, 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 the Applicant or any other Person; (ii) prejudice in any manner the rights of the Applicant or any other Person in any further proceedings involving the Applicant; or (iii) constitute an admission of any sort by the Applicant or any other Person.

### **10.5 Modification of the Plan**

- (a) The Applicant reserves the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan, but only with the consent of the Majority Initial Consenting Noteholders, provided that any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Court and (i) if made prior to or at the Meetings, communicated to the Affected Creditors; and (ii) if made following the Meetings, approved by the Court following notice to the Affected Creditors.
- (b) Notwithstanding section 10.5(a), any amendment, restatement, modification or supplement may be made by the Applicant with the consent of the Monitor and the Majority Initial Consenting Noteholders, without further Court Order or approval, provided that it concerns a matter which, in the opinion of the Applicant, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors.

- (c) Any amended, restated, modified or supplementary plan or plans of compromise filed with the Court and, if required by this section, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in the Plan.

#### **10.6 Majority Initial Consenting Noteholders**

For the purposes of this Plan, the Applicant shall be entitled to rely on written confirmation from Bennett Jones LLP that the Majority Initial Consenting Noteholders have agreed to, waived, consented to or approved a particular matter. Bennett Jones LLP shall be entitled to rely on a communication in any form acceptable to Bennett Jones LLP, in its sole discretion, from any Initial Consenting Noteholder for the purpose of determining whether such Initial Consenting Noteholder has agreed to, waived, consented to or approved a particular matter, and the principal amount of Notes held by such Initial Consenting Noteholder.

#### **10.7 Paramountcy**

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

- (a) the Plan or the Sanction Order; 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 Applicant as at the Plan Implementation Date and the notice of articles, articles or bylaws of the Applicant at the Plan Implementation Date;

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority, provided that any settlement agreement executed by the Applicant and any Person asserting a Claim or a Director/Officer Claim that was entered into from and after the Filing Date shall be read and interpreted in a manner that assumes that such settlement agreement is intended to operate congruously with, and not in conflict with, the Plan.

#### **10.8 Severability of Plan Provisions**

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Applicant and with the consent of the Monitor and the Majority Initial Consenting Noteholders, shall have the power to either (a) sever such term or provision from the balance of the Plan and provide the Applicant with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Applicant proceeds with the implementation of the Plan, the

remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

### **10.9 Responsibilities of the Monitor**

The Monitor is acting in its capacity as Monitor in the CCAA Proceeding and the Plan with respect to the Applicant and will not be responsible or liable for any obligations of the Applicant.

### **10.10 Different Capacities**

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

### **10.11 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 or by facsimile or email addressed to the respective parties as follows:

If to the Applicant:

c/o SkyLink Aviation Inc.  
1027 Yonge Street,  
Toronto, ON, Canada  
M4W 2K9

Attention: David Miller, General Counsel  
Fax: (416) 924-9006  
Email: dmiller@skylinkaviation.com

with a copy to:

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

Attention: Robert Chadwick/ Logan Willis  
Fax: (416) 979-1234  
Email: rchadwick@goodmans.ca/lwillis@goodmans.ca

If to the Consenting Noteholders represented by Bennett Jones LLP:

c/o Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

Attention: S. Richard Orzy /Sean Zweig  
Fax: (416) 863-1716  
Email: orzyr@bennettjones.com/zweigs@bennettjones.com

If to an Affected Creditor (other than a Consenting Noteholder represented by Bennett Jones LLP), to the mailing address, facsimile address or email address provided on such Affected Creditor's Notice of Claim or Proof of Claim;

If to the Monitor:

Duff & Phelps Canada Restructuring Inc.

333 Bay Street  
14<sup>th</sup> Floor  
Toronto, Ontario M5H 2R2  
Attention: Robert Kofman/David Sieradzki  
Fax: (647) 497-9490/(647) 497-9470  
Email bobby.kofman@duffandphelps.com /  
david.sieradzki@duffandphelps.com

with a copy to:

Lax O'Sullivan Scott Lisus LLP

Attention: Matthew Gottlieb  
Fax: (416) 598-3730  
Email: mgottlieb@counsel-toronto.com

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 faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 5:00 p.m. (Toronto time) 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.

#### **10.12 Further Assurances**

Each of the Persons named or referred to in, or subject to, the 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.



**DATED** as of the 18<sup>th</sup> day of April, 2013.

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## **SCHEDULE A**

### **SUMMARY OF TERMS OF NEW SECOND LIEN NOTES**

- \$10 million aggregate principal amount
- 5 year term
- 12.25% annual interest rate
- Each individual note will represent a principal amount of \$1000
- The governing trust indenture will be substantially similar to the Secured Note Indenture, with certain exceptions, including:
  - PIK toggle feature pursuant to which, at the Applicant's option, interest may be paid in kind rather than in cash in the first 2 years
  - Optional redemptions at the following amounts:
    - 2013 – 109.188%
    - 2014 – 106.125%
    - 2015 – 103.063%
    - 2016 and thereafter – 100.000%

**SCHEDULE B**

**RELEASED DIRECTORS/OFFICERS**

Jan Ottens  
David Miller  
Eitan Dehtiar  
Mark Thielmann  
Harry Green  
Peter Scala  
Mark Massad  
Tom White  
Rosalyn Samtleben  
Matthew Constantino  
Samuel Hines  
Rob Seminara  
Brenna Haysom  
Kenneth Taylor  
Stephen Arbib  
Walter Arbib  
Surjit Babra  
Harjit Kalsi

## **SCHEDULE C**

### **RELEASED SHAREHOLDERS**

SL Aviation Group, S.a r.l  
AlpInvest Partners SL B.V.  
Apollo Management VII, L.P.  
Sandton SkyLink Acquisition, LLC  
WSA (2008) Holdings Inc.  
WSA (2008) Transactions Inc.  
SSB (2008) Transactions Inc.

## **SCHEDULE D**

### **DIRECTOR/OFFICER WAGES CLAIMS**

1. Director/Officer Claim by Olavo Valaderes in the amount of \$1,413,700 for alleged unpaid remuneration consisting of (a) \$1,200,000 in respect of certain options issued by SkyLink Aviation, (b) \$150,000 for a bonus allegedly payable for the year ended December 31, 2012 and (c) \$63,700 for alleged unpaid vacation pay.
2. Director/Officer Claim by Vito Morriello in the amount of \$3,379,726 for alleged unpaid remuneration consisting of (a) \$3,000,000 in respect of certain options issued by SkyLink Aviation and (b) \$379,726 for alleged unpaid vacation pay.
3. Director/Officer Claim by Jan Ottens in the amount of \$1,568,233.56 for alleged unpaid remuneration consisting of (a) \$288,832, representing the alleged unpaid balance owing in respect a signing bonus and (b) \$1,279,401 in respect of certain options issued by SkyLink Aviation.
4. Director/Officer Claim by Stephen Arbib in the amount of \$600,000 for alleged unpaid remuneration consisting of \$600,000 in respect of certain options issued by SkyLink Aviation.