



COURT FILE NUMBER 2301 - 08305
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, RSC
1985, c C-36, as amended

AND IN THE MATTER OF THE
COMPROMISE OR ARRANGEMENT OF
WALLACE & CAREY INC., LOUDON BROS
LIMITED, and CAREY MANAGEMENT INC.

DOCUMENT **SISP ORDER**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

MILLER THOMSON LLP
3000, 700 - 9th Avenue S.W.
Calgary, AB, Canada T2P 3V4

Attention: James W. Reid / Larry Ellis

Telephone: 403.298.2418 / 416-595-8639

Fax: 403.262.0007

E-mail: jwreid@millerthomson.com /
lellis@millerthomson.com

File No.: 0221652.0006

DATE ON WHICH ORDER WAS PRONOUNCED: August 23, 2023

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice Hollins

LOCATION OF HEARING: Calgary Courts Centre

UPON the application of Wallace & Carey Inc., Loudon Bros Limited, and Carey Management Inc. (collectively, the "**Applicants**"),

AND UPON having read the Application, Affidavit No. 1 of Eric Rolheiser sworn August 21, 2023 and the Third Report of the Monitor dated August 21, 2023;

AND UPON hearing counsel for the Applicants, counsel for the Monitor, counsel for Canadian Imperial Bank of Commerce, counsel for Canadian Western Bank, counsel for 7-Eleven Canada Inc. (“**7-Eleven**”), and counsel for other interested parties;

AND UPON reviewing the Affidavit of Service of Marica Ceko sworn August 21, 2023;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and this application is properly returnable today.

DEFINED TERMS

2. Capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the SISP (as defined below) or the Amended and Restated Initial Order of this Court pronounced June 30, 2023.

APPROVAL OF SALE AND INVESTMENT SOLICITATION PROCESS

3. The sale and investment and solicitation process attached as **Appendix “A”** to this Order (the “**SISP**”) is hereby approved, subject to such amendments and extensions as may be agreed to by the Applicants, in consultation with Alvarez & Marsal Canada Securities ULC (“**A&M**”), the approval of the Monitor, and in accordance with the terms of the SISP.
4. The Applicants and A&M, in consultation with the Monitor and the Canadian Imperial Bank of Commerce (“**CIBC**”), are hereby authorized and directed to proceed with the SISP and to take such steps as they deems necessary or advisable to carry out and perform their obligations under the SISP.
5. The property, assets and undertaking of the wholly owned subsidiary of Carey Management Inc., 772921 Alberta Inc. and RET Logistics Inc. shall be included in, and form part of the Property as defined in the SISP to the extent such assets relate to the business of Wallace & Carey Inc., on the condition and basis that, with respect to any or all of the Mortgaged Collateral (as defined in the Subordination and Postponement Agreement, made as of July 20, 2023, between Canadian Western Bank (the “**CWB**”),

Carey Management Inc., Spruce It Up Land Corp., Spruce it Up Garden Centre Inc., 772921 Alberta Inc., and Ridge Meadows Properties Ltd., and CIBC):

- (a) the Mortgaged Collateral shall not be encumbered by or affected, in any way, by any of the Charges or any other encumbrances granted in the within proceedings in priority to any of CWB's rights, security interests, remedies, or other interests, in, to, or against the Mortgaged Collateral and the costs and expenses of the SISP and these proceedings shall not be allocated to CWB or against the Mortgaged Collateral in priority to CWB's rights or interests;
 - (b) all proceeds derived from the Mortgaged Collateral shall, first, be utilized to repay all amounts due and owing by the Applicants or their subsidiaries to CWB (collectively, the "**CWB Indebtedness**"), before paying or deducting any fees, costs, or expenses associated or incurred in connection with the SISP, the within CCAA proceedings, or under any Charges granted in the within proceedings, with the sole exception of any fees, costs, or expenses which CWB has expressly agreed to;
 - (c) all parties involved in the marketing and sale of the Mortgaged Collateral shall work together co-operatively to keep each other apprised of any offers received for the Mortgaged Collateral; and,
 - (d) a sale of any Mortgaged Collateral in the SISP may only be completed if:
 - (i) the Potential Bidder under such transaction submitted an LOI that sets out an allocation of proceeds to such Mortgaged Collateral (the "**RE Proceeds Allocation**") that either (y) contemplated the repayment in full of the CWB Indebtedness; or (z) was consented to by CWB; and
 - (ii) the Final Agreement includes an allocation of proceeds to such Mortgaged Collateral that is the same as or higher than the RE Proceeds Allocation.
6. The SISP may be amended and the timelines prescribed therein may be extended by the Applicants, in consultation with A&M and with the approval of the Monitor and in accordance with the additional terms and conditions of the SISP.

7. The Applicants, the Monitor, and A&M, and their respective affiliates, partners, employees, representatives and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of the Applicants, the Monitor, and A&M, as applicable, in performing their respective obligations under the SISP, as determined by this Court.
8. The Applicants, the Monitor, and A&M, and their respective counsel, if applicable, be and are hereby authorized but not obligated, to serve or distribute this SISP Order, any other materials, orders, communication, correspondence or other information as may be necessary or desirable in connection with the SISP to any Person or interested party that A&M, the Applicants, and the Monitor consider appropriate.
9. 7-Eleven is hereby granted a right of first refusal to purchase tangible non-inventory Property that has not been realized upon at the time of payment in full of the outstanding indebtedness of CIBC.


PIPEDA

10. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), A&M, the Applicants and the Monitor are hereby authorized and permitted to disclose and transfer to each potential bidder (collectively, the “**Potential Bidders**”) and to their advisors, if requested by such Potential Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Applicants’ records pertaining to its past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale of the Property (“**Sale**”) or investment in the Business (“**Investment**”). Each Potential Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale or Investment, and if it does not complete a Sale or Investment, shall return all such information to A&M, on behalf of the Applicants, or in the alternative destroy all such information. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is

related to the Property of Business acquired pursuant to the Sale or invested in pursuant to the Investment in a manner which is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to A&M and the Applicants, or ensure that all other personal information is destroyed.

GENERAL

11. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties under this Order or under the SISP.
12. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, A&M, and the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants, A&M, and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants, A&M, and the Monitor and their respective agents in carrying out the terms of this Order.
13. The Applicants and the Monitor are at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.
14. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
15. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.



Justice of the Court of King's Bench of Alberta

Appendix "A"

Sale and Investment Solicitation Process

Sale and Investment Solicitation Process

Introduction

1. On June 22, 2023, Wallace & Carey Inc., Loudon Bros Limited, and Carey Management Inc. (collectively, the “**Applicants**”) were granted an initial order (as amended or amended and restated from time to time, the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act* (the “**CCAA**” and the “**CCAA Proceedings**”) by the Court of King’s Bench of Alberta (the “**Court**”). The Initial Order (which was amended and restated on June 30, 2023), among other things:
 - (a) stayed all proceedings against the Applicants, their assets and their respective directors and officers, other than those proceedings, rights and claims that are expressly unaffected under the Initial Order;
 - (b) appointed KSV Restructuring Inc. as the monitor of the Applicants (in such capacity, the “**Monitor**”); and
 - (c) authorized the Applicants to continue to utilize their cash management system and draw funds from the revolving asset-based loan facility (the “**Loan Facility**”) established by Canadian Imperial Bank of Commerce (the “**Lender**”), and granted a charge in favour of the Lender to secure the amounts outstanding from time to time under or in connection with the Loan Facility.
2. On August 23, 2023, the Court granted an order (the “**SISP Order**”), among other things:
 - (a) authorizing the Applicants to pursue all avenues of sale of or investment in their assets or business, in whole or in part, subject to the Court’s prior approval of any material sale or refinancing; and
 - (b) approving this sale and investment solicitation process (the “**SISP**”).
3. Also on August 23, 2023, the Court granted an ancillary order, among other things, approving the engagement of Alvarez & Marsal Canada Securities ULC (“**A&M**”) as financial advisor and authorizing the Applicants to conduct the SISP with the assistance of A&M, in coordination with the Monitor and in consultation with the Lender, pursuant to the SISP Order. Throughout this SISP, any reference to a step or action required of the Applicants is deemed to include the Applicants acting in consultation and co-operation with A&M with respect to such step or action.
4. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Applicants’ business and operations (collectively, the “**Business**”), including the assets (collectively, the “**Applicants’ Property**”) of the Applicants (the “**Opportunity**”). Certain property that is necessary to operate the Applicants’ Business as a going concern is owned by wholly owned subsidiaries of the Applicants, the shares of which constitute Applicants’ Property subject to the CCAA Proceedings (“**Non-CCAA Property**”, and together with the Applicants’ Property, the “**Property**”). Information regarding the Non-CCAA Property will be made available to Potential Bidders (as defined herein), and such Non-CCAA Property will, subject to the approval of the Court, be brought within the CCAA Proceedings or other proceedings, if required to facilitate a Transaction (as defined herein).

5. The Opportunity may include one or more transactions involving the restructuring, recapitalization or other form of reorganization of the Business as a going concern or a sale of all, substantially all or one or more components of the Business and Property as a going concern or otherwise, or some combination thereof (each, a “**Transaction**”).
6. The Applicants intend to provide all qualified interested parties with an opportunity to participate in the SISP.

Stalking Horse Bid

7. In accordance with the terms of a letter of agreement dated August 10, 2023 between 7-Eleven Canada, Inc. (“**7-Eleven**”), Wallace & Carey Inc., and the Lender, 7-Eleven has the exclusive option, within 30 days of the date of the SISP Order, to determine whether it wishes to submit a Stalking Horse Agreement (a “**Stalking Horse Bid**”). In the event that 7-Eleven exercises its option to submit a Stalking Horse Bid, the Applicants, in consultation with the Monitor, shall expeditiously negotiate the terms of the Stalking Horse Agreement with 7-Eleven, and if concluded on terms acceptable to 7-Eleven, the Applicants, the Lender and the Monitor, shall bring an application before the Court seeking the approval of the Stalking Horse Bid as well as any amendments to the SISP that may be required. Until such time as 7-Eleven confirms that it will not be a Bidder in the SISP, 7-Eleven will not be entitled to any information concerning the SISP, including the identity of the Potential Bidders (as defined below), the number of Potential Bidders, or any other material aspect of the SISP. For greater certainty, this shall not prohibit 7-Eleven from meeting with Potential Bidders in the context of their due diligence.

Opportunity

8. This document describes the SISP, including the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, governmental organizations or other entities (each, a “**Person**”) may gain access to or continue to have access to due diligence materials concerning the Applicants, the Property and the Business, how bids involving the Applicants, the Property or the Business will be submitted to and dealt with by the Applicants, in consultation with the Monitor and the Lender, and how Court approval will be sought in respect of a Transaction (or Transactions) involving the Applicants, the Business or the Property.
9. The SISP contemplates a two-stage process that involves the submission by interested parties of binding offers on or before the Bid Deadline (as defined below).
10. Except to the extent otherwise set forth in a definitive sale or investment agreement with a successful bidder, any sale of the Property or investment in the Business will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by A&M, the Monitor, the Applicants, or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Applicants or their subsidiaries, as applicable, in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims,

charges, options, and interests therein and thereon pursuant to Court orders, to the extent that the Court deems it appropriate to grant such relief and except as otherwise provided in such Court orders.

11. In this SISP: (a) “**Business Day**” means any day (other than Saturday or Sunday) that banks are open for business in Calgary, Alberta, and if any deadline date referred to in this SISP falls on a day that is not a Business Day, then such date shall be extended until the next Business Day; and (b) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase, “without limitation”.

Timeline

12. The following table sets out the key milestones under the SISP:

Milestone	Deadline
Obtain Order granted by the Court in the CCAA proceedings approving the SISP	August 23, 2023
SISP Launch Date	August 30, 2023
Phase I Bid Deadline	October 5, 2023
Phase II Bid Deadline	November 2, 2023
Hearing of the Transaction Approval Motion (as defined below)	As soon as practicable and based on Court availability
Closing of the Transaction(s)	On or before December 4, 2023

13. Subject to any order of the Court providing otherwise, and subject to section 7 above, the dates set out in the SISP may be extended by the Applicants, with the approval of the Monitor and the Lender.

Solicitation of Interest: Notice of the SISP

14. As soon as reasonably practicable, but in any event by no later than August 25, 2023:
- (a) A&M, in consultation with the Applicants and the Monitor, will prepare a list of initial potential bidders, including: (i) parties that have approached the Applicants, Monitor or Lender indicating an interest in the Opportunity; and (ii) local and international strategic and financial parties who the Applicants, in consultation with the Monitor, believe may be interested in purchasing all or part of the Business or Property or investing in the Applicants pursuant to the SISP (collectively, “**Known Potential Bidders**”);

- (b) The Monitor will arrange for a notice of the SISP (the “**Notice**”) to be published in *Insolvency Insider*, the Monitor’s website, and any other newspaper or journal as the Applicants, in consultation with the Monitor, considers appropriate, if any; and
 - (c) A&M, in consultation with the Applicants and the Monitor, will prepare: (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and (ii) a non-disclosure agreement in form and substance satisfactory to the Applicants, 7-Eleven and the Monitor (an “**NDA**”). For greater certainty, the NDA will provide for the opportunity for discussions between potential bidders and 7-Eleven.
15. A&M will send the Teaser Letter and NDA to each initial Known Potential Bidder by no later than August 25, 2023 and thereafter to any other party who requests a copy of the Teaser Letter and NDA or who is identified to A&M, the Applicants or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Potential Bidders and Due Diligence Materials

16. Any party who wishes to participate in the SISP (a “**Potential Bidder**”) must provide to the Applicants and A&M an executed NDA, which shall inure to the benefit of any purchaser or investor of or in the Business or Property, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for the Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder and information as to their financial wherewithal to close a Transaction.
17. A&M will send a confidential information memorandum and other relevant information (the “**Confidential Information Memorandum**”) to each Potential Bidder and to any other party who requests a copy of same and has executed an NDA, as soon as reasonably practicable after such request or identification, as applicable.
18. Potential Bidders that have signed and delivered an NDA in accordance with this SISP, and provided information as to their financial wherewithal to close a Transaction, shall be provided with such access to due diligence materials and information relating to the Business and the Property as the Applicants deem appropriate. Due diligence materials shall include access to an electronic data room containing information about the Applicants and their Business and Property, and may also include management presentations, on-site inspections, and other matters which a Potential Bidder may reasonably request and as to which A&M, in its reasonable business judgment may agree. A&M will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders and the manner in which such requests must be communicated. Neither the Applicants nor A&M will be obligated to furnish any information relating to the Business or Property to any person other than to Potential Bidders. Furthermore and for the avoidance of doubt, selected due diligence materials may be withheld from certain Potential Bidders if the Applicants, in consultation with the Monitor, determine such information to represent proprietary or

sensitive competitive information. The Applicants, A&M, and the Monitor are not responsible for, and will bear no liability with respect to, any information obtained by any party in connection with a Transaction in respect of the Business and Property.

19. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information relating to the Applicants and their Business and Property in connection with their participation in the SISP and resulting Transaction.

Phase I Bid Deadline

20. Potential Bidders who wish to make an offer to purchase or make an investment in the Applicants' Business or Property (each, a "**Phase I Bidder**") shall first submit a non-binding letter of intent ("**LOI**") to A&M and the Applicants at the addresses specified in Schedule "1" hereto (including by e-mail), so as to be received by them not later than **5:00 p.m. (Mountain Standard Time) on October 5, 2023** or such later date as may be set out in a Bid process letter circulated by A&M to Potential Bidders, with the approval of the Applicants, the Monitor and the Lender (the "**Phase I Bid Deadline**").
21. Unless otherwise ordered by the Court or agreed by the Applicants with the approval of the Monitor, an LOI will be considered a "**Phase I Qualified Bid**", if it is submitted to A&M and the Applicants on or before the Phase I Bid Deadline and satisfies the following criteria, as determined by the Applicants, with the approval of the Monitor:
 - (a) the LOI constitutes a non-binding offer to:
 - (i) acquire all, substantially all or a portion of the Property or the Business (a "**Sale Proposal**");
 - (ii) make an investment in, restructure, reorganize or refinance the Business (an "**Investment Proposal**");
 - (iii) carry out any combination of a Sale Proposal and an Investment Proposal;
or
 - (iv) form a partnership with the Applicants, or any of them, by way of joint-venture or otherwise (a "**Partnership Proposal**");
 - (b) the LOI discloses the identity of each entity that will be entering into the Transaction, or that is otherwise anticipated to participate in or benefit from such Transaction;
 - (c) the LOI includes a specific indication of the financial capability of the Phase I Bidder to consummate the Transaction, including sources of capital, and a description of the expected structure of the Transaction;
 - (d) for a Sale Proposal, the LOI includes:
 - (i) the Purchase Price, and a description of any non-cash consideration, including details of any liabilities intended to be assumed by the Phase I Bidder and key assumptions supporting the purchase price; and

- (ii) a description of the Property that is anticipated to be subject to the Transaction and any of the Property anticipated to be excluded;
 - (e) for an Investment Proposal, the LOI includes:
 - (i) a description of how the Phase I Bidder anticipates structuring the proposed investment, restructuring, recapitalization, refinancing or reorganization, and a description of any non-cash consideration; and
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the Business of the Applicants in Canadian Dollars;
 - (f) for a Partnership Proposal, the LOI includes:
 - (i) a description of how the Phase I Bidder anticipates structuring the proposed partnership, including the financial support, treatment of the existing liabilities of the Applicants, change in commercial strategy or other means to restructure the business; and
 - (ii) a description of purchasing power, product offerings, or long-term agreements.
22. Following the Phase I Bid Deadline, the Applicants, in consultation with the Monitor and the Lender, will assess each LOI received and seek clarification with respect to any of the terms or conditions of any LOI as required, and/or request and negotiate one or more amendments to any LOI prior to determining whether an LOI constitutes a Phase I Qualified Bid. The Applicants, with the approval of Monitor, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant LOI to be a Phase I Qualified Bid.
23. The Applicants, with the approval of the Monitor and the consent of the Lender, shall confirm which LOIs constitute Phase I Qualified Bids (“**Phase I Qualified Bidders**”). A&M shall notify each Phase I Bidder in writing as to whether its LOI constitutes a Phase I Qualified Bid within two (2) Business Days of the Phase I Bid Deadline, or at such later time as the Applicants deem appropriate, with the approval of the Monitor.
24. The Applicants, with the consent of A&M, the Monitor, and the Lender, may aggregate separate LOIs from unaffiliated Phase I Bidders to create one Phase I Qualified Bid.
25. If the Applicants, are not satisfied with the number or terms of the Phase I Qualified Bids, or if no Phase I Qualified Bids are received, the Applicants, with the approval of the Monitor and the Lender, may extend the Phase I Bid Deadline, or may seek Court approval to amend or terminate the SISP.

Phase II Formal Binding Offers

26. Phase I Qualified Bidders who wish to make a formal offer to purchase or make an investment in the Applicants’ Business or Property (each, a “**Bidder**”) shall submit a binding offer (a “**Bid**”) that complies with all of the following requirements to A&M and the Applicants at the addresses specified in Schedule “1” hereto (including by e-mail), so as to be received by them not later than **5:00 p.m. (Mountain Standard Time)** on

November 2, 2023 or such later date as may be set out in a Bid process letter circulated by A&M to Phase I Qualified Bidders (the “**Phase II Bid Deadline**”):

- (a) the Bid constitutes a binding offer for:
 - (i) a Sale Proposal;
 - (ii) an Investment Proposal;
 - (iii) any combination of a Sale Proposal and an Investment Proposal; or
 - (iv) a Partnership Proposal
- (b) the Bid (either individually or in combination with other Bids that make up one Bid) is an offer to purchase or make an investment in some or all of the Business or Property and is consistent with any necessary terms and conditions established by the Applicants, and communicated to Bidders;
- (c) the Bid includes a letter stating that the Bidder’s offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the Transaction with the Successful Bidder;
- (d) the Bid includes duly authorized and executed Transaction agreements that clearly state the purchase price, investment amount and any other key economic terms expressed in Canadian Dollars (the “**Purchase Price**”), together with all exhibits and schedules thereto;
- (e) the Bid is accompanied by a deposit (the “**Deposit**”) in the form of a wire transfer (to a trust account specified by the Monitor), in an amount equal to 10% of the Purchase Price, investment amount or other consideration to be paid in respect of the Bid (whether in cash or assumed liabilities), to be held and dealt with in accordance with this SISP;
- (f) the Bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed Transaction, that will allow the Applicants to make a determination as to the Bidder’s financial and other capabilities to consummate the proposed Transaction;
- (g) the Bid is not conditioned on: (i) the outcome of unperformed due diligence by the Bidder; (ii) the outcome of negotiations with 7-Eleven or any other customer of the Business; or (iii) obtaining financing, but may be conditioned upon the Applicants or the Bidder receiving the required approvals or amendments relating to the licences required to operate the Business, if necessary;
- (h) outlines any anticipated regulatory and other approvals required to close the Transaction, the anticipated time frame to receive such approvals and any anticipated impediments to obtaining such approvals;
- (i) the Bid fully discloses the identity of each entity that will be entering into the Transaction, or that is otherwise participating or benefiting from such Transaction;
- (j) for a Sale Proposal, the Bid includes:

- (i) the Purchase Price, and a description of any non-cash consideration, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the valuation;
 - (ii) a description of the Property that is expected to be subject to the Transaction and any of the Property expected to be excluded;
 - (iii) a specific indication of the financial capability of the Bidder to consummate the Transaction, including sources of capital, and a description of the expected structure of the Transaction;
 - (iv) a description of the conditions and approvals required to complete the closing of the Transaction;
 - (v) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
 - (vi) an express acknowledgment and agreement from the Bidder to provide a minimum of 270 days of transition services to 7-Eleven at prices consistent with those currently paid by 7-Eleven to Wallace & Carey Inc. under an existing service agreement (which will be provided to Bidders), the terms of which may be adjusted as necessary to maintain cost neutrality to the Bidder, as determined by the Monitor, 7-Eleven- and the Bidder; and
 - (vii) all other terms or conditions of the Sale Proposal;
- (k) for an Investment Proposal, the Bid includes:
- (i) a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, refinancing or reorganization, and a description of any non-cash consideration;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the Business of the Applicants in Canadian dollars;
 - (iii) the underlying assumptions regarding the pro forma capital structure;
 - (iv) a specific indication of the financial capability of the Bidder to consummate the Transaction, including sources of capital, and a description of the expected structure of the Transaction;
 - (v) a description of the conditions and approvals required to complete the closing of the Transaction;
 - (vi) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
 - (vii) an express acknowledgment and agreement from the Bidder to (or to cause the Applicants to) provide a minimum of 270 days of transition services to 7-Eleven at prices consistent with those currently paid by 7-Eleven to Wallace & Carey Inc. under an existing service agreement (which will be

provided to Bidders), the terms of which may be adjusted as necessary to maintain cost neutrality to the Bidder, as determined by the Monitor, 7-Eleven- and the Bidder; and

- (viii) all other terms or conditions of the Investment Proposal;
- (l) for a Partnership Proposal, the Bid includes:
 - (i) a description of how the Bidder proposes to structure the proposed partnership, including the financial support, change in commercial strategy or other means to restructure the business;
 - (ii) a description of purchasing power, product offerings, or long-term agreements;
 - (iii) a specific indication of the financial capability of the Bidder to consummate the Transaction, including sources of capital, and a description of the expected structure of the Transaction;
 - (iv) a description of the conditions and approvals required to complete the closing of the Transaction;
 - (v) a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume; and
 - (vi) an express acknowledgment and agreement from the Bidder to (or to cause the Applicants to) provide a minimum of 270 days of transition services to 7-Eleven at prices consistent with those currently paid by 7-Eleven to Wallace & Carey Inc. under an existing service agreement (which will be provided to Bidders), the terms of which may be adjusted as necessary to maintain cost neutrality to the Bidder, as determined by the Monitor, 7-Eleven- and the Bidder; and
 - (vii) all other terms or conditions of the Partnership Proposal;
- (m) the Bid includes acknowledgements and representations of the Bidder that the Bidder:
 - (i) has had an opportunity to conduct any and all due diligence regarding the Business, the Property and the Applicants prior to making its offer;
 - (ii) is completing the Transaction on an “as is, where is” basis;
 - (iii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its Bid; and
 - (iv) did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, the Property, or the Applicants or the completeness of any information provided in connection therewith, except as expressly stated in the definitive Transaction agreement(s) signed by the Applicants;
- (n) the Bid is received by the Bid Deadline;

- (o) the Bid contemplates closing the Transaction set out therein on or before December 4, 2023, or a date otherwise agreed to by the Applicants and the Bidder, in consultation with A&M and with the consent the Monitor and the Lender.
27. Following the Bid Deadline, the Applicants in conjunction with the Monitor and the Lender, will assess the Bids received. The Applicants, with the approval of the Monitor and the Lender, will designate the most competitive Bids that comply with the foregoing requirements to be “**Qualified Bids**”. No Bids received shall be deemed not to be Qualified Bids without the approval of the Applicants and the Monitor, in consultation with the Lender. Only Bidders whose Bids have been designed as Qualified Bids are eligible to become the Successful Bidder(s).
 28. The Applicants, with the approval of the Monitor and the Lender, may waive strict compliance with any one or more of the requirements specified above and deem any non-compliant Bid to be a Qualified Bid; provided that doing so shall not constitute a waiver of the requirements specified above, or an obligation on the part of the Applicants and/or the Monitor, to designate any other Bid as a Qualified Bid.
 29. Following the Bid Deadline, the Applicants, in consultation with the Monitor and the Lender, specifically reserve the right to: (i) negotiate with any Bidder with respect to any provision of its Bid or to request or agree to any changes in any such Bid; (ii) choose to take such steps with respect to one or more Bidders, but shall have no obligation to negotiate identical terms with, or extend identical terms to, each Bidder; (iii) reserve their right to request that some, but not all, Bidders submit a revised Bid reflecting improved terms or other amendments; and (iv) be under no obligation to provide each Bidder with the opportunity to improve the terms of any Bid submitted following the Bid Deadline.
 30. A&M shall notify each Bidder in writing as to whether its Bid constitutes a Qualified Bid within two (2) Business Days of the Bid Deadline, or at such later time as the Applicants, in consultation the Monitor, deem appropriate.
 31. If the Applicants with the approval of the Monitor, are not satisfied with the number or terms of the Qualified Bids, the Applicants may, with the approval of the Lender and the Monitor, extend the Bid Deadline or seek Court approval to terminate or amend the SISP.
 32. The Applicants may, with the consent of the Monitor, aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.

Evaluation of Bids

33. A Qualified Bid will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such Bid; (ii) the identity, circumstances and ability of the Bidder to successfully complete such Transaction; (iii) the proposed Transaction documents; (iv) factors affecting the speed, certainty and value of the Transaction; (v) the Property included or excluded from the Bid; (vi) any restructuring costs related to such Transaction; and (vii) the likelihood and timing of consummating such Transaction, each as determined by the Applicants, in consultation with the Monitor and the Lender.

Selection of Successful Bid

34. The Applicants, in consultation with the Monitor and the Lender, will review and evaluate each Qualified Bid, considering the requirements and factors set out in paragraph 33 and any other factor that the Applicants may reasonably deem relevant, including:
- (i) the amount of consideration being offered, and, if applicable, the proposed form, composition and allocation of same;
 - (ii) the value of any assumption of liabilities or waiver of liabilities;
 - (iii) the Bidder's ability to provide a minimum of 270 days of transition services to 7-Eleven at prices consistent with those currently paid by 7-Eleven to Wallace & Carey Inc. under an existing service agreement (which will be provided to Bidders), the terms of which may be adjusted as necessary to maintain cost neutrality to the Bidder, as determined by the Monitor, 7-Eleven- and the Bidder;
 - (iv) the likelihood of the Qualified Party's ability to close a Transaction by December 4, 2023, after the Court's approval of the Successful Bid;
 - (v) the net benefit to the Applicants; and
 - (vi) any other factors the Applicants may, consistent with their fiduciary duties, reasonably deem relevant.
35. The Applicants may, but shall have no obligation to, enter into a definitive agreement ("**Final Agreement**") with the Person or Persons who submitted the highest, best or otherwise most favourable Qualified Bid. The Applicants reserve the right, after consultation with the Lender, and the approval of the Monitor, to reject any or all Qualified Bids.
36. In the event that the Applicants enter into a Final Agreement (with the approval of the Monitor and the consent of the Lender) in accordance with the Qualified Bid(s), any Qualified Bid so selected shall be the "**Successful Bid**" and the Bidder making such Bid, the "**Successful Bidder**".
37. The Successful Bidder shall complete and execute the Final Agreement within three Business Days of the Successful Bid being selected as such, unless extended by the

Applicants, in consultation with the Monitor, subject to the milestones set forth in paragraph 12.

Transaction Approval Motion Hearing

38. At the hearing of the motion to approve any Transaction with the Successful Bidder (the “**Transaction Approval Motion**”), the Applicants shall seek, among other things, approval from the Court to consummate the Successful Bid. All the Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Applicants on and as of the date of closing of the Transaction(s) of the Successful Bid.

Confidentiality and Access to Information

39. All discussions regarding a Sale Proposal, Investment Proposal, Partnership Proposal, Bid or other Transaction should be directed through A&M.
40. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Bidders, Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Applicants, A&M, the Monitor and such other Bidders or Potential Bidders in connection with the SISP, except to the extent the Applicants, in consultation with the Monitor and consent of the applicable participants, are seeking to combine separate bids from Potential Bidders or Bidders. For greater certainty, nothing herein shall preclude Potential Bidders from entering into discussions with 7-Eleven with respect to possible future business opportunities and/or transition services at any time during the SISP.

Supervision of the SISP

41. A&M, on behalf of the Applicants, shall conduct the SISP, in consultation with the Monitor and subject to the applicable approval and consent rights of the Monitor and the Lender herein. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between the Applicants, A&M or the Monitor and any Potential Bidder, any Bidder or any other Person, other than as specifically set forth in a Final Agreement that may be entered into with the Applicants.
42. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a Transaction. By submitting a Bid, each Potential Bidder shall be deemed to acknowledge and represent that: (i) it has had an opportunity to conduct any and all due diligence regarding the Applicants, the Property and/or the Business prior to making its Bid; (ii) it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or the Property, Applicants and/or Business in making its Bid; and (iii) it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Property, Applicants or Business, as applicable, or the

completeness of any information provided in connection therewith, except as expressly stated in this SISP or as set forth in the Final Agreement approved by the Court.

43. The Applicants, with the consent of the Monitor and the Lender, shall have the right to modify the SISP if, in their reasonable business judgment, such modification or amendment will enhance the process or better achieve the objectives of the SISP; provided that the Service List in the CCAA Proceedings shall be advised of any substantive modification to the procedures set forth herein.

Deposits

44. All Deposits paid pursuant to this SISP shall be held in trust by the Monitor. The Monitor shall hold Deposits paid by the Successful Bidder in accordance with the terms outlined in this SISP. In the event that a Deposit is paid pursuant to this SISP and the Applicants, in consultation with the Monitor, elect not to proceed to negotiate and settle the terms and conditions of a Final Agreement with the Person that paid such deposit, the Monitor shall return the deposit without interest to that Person. In the event that the Successful Bidder defaults in the payment or performance of any obligations owed to A&M, the Applicants, or the Monitor pursuant to any Final Agreement, the Deposit paid by the Successful Bidder shall be forfeited to the Applicants as liquidated damages and not as a penalty.

Residual Assets

45. Subject to approval of the Court, 7-Eleven shall be granted a right of first refusal to purchase tangible non-inventory Property that has not been realized upon at the time of payment in full of the outstanding indebtedness of the Lender.

**Schedule “1”
Addresses for Deliveries**

To the Applicants

c/o Wallace & Carey Inc.
5445 – 8 ST. NE Calgary, AB T2K 5R9

Attention: Eric Rolheiser

Email: rolheisere@wacl.com

with a copy to:

Miller Thomson LLP
3000, 700 – 9th Avenue SW
Calgary, Alberta T2P 3V4

Attention: James W. Reid / Larry Ellis

Email: jwreid@millerthomson.com
lellis@millerthomson.com

To A&M:

Alvarez & Marsal Canada Securities ULC
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON M5J 2J1

Attention: Hugh Rowan-Legg / Joshua Nevsky / Justin Sim

Email: hrowanlegg@alvarezandmarsal.com
jnevsky@alvarezandmarsal.com
jsim@alvarezandmarsal.com

To the Monitor:

KSV Restructuring Inc.
Suite 1165, 324 – 8th Avenue SW
Calgary, Alberta T2P 2Z2

Attention: Bobby Kofman / Jason Knight

Email: bkofman@ksvadvisory.com
jknight@ksvadvisory.com