

STRICTLY PRIVATE AND CONFIDENTIAL

Re: Sale Process Letter

Dear Sirs/Madams:

BDO Canada Limited was appointed as Receiver (the “**Receiver**”) with respect to all of the assets, undertakings, and property of 7132221 Canada Inc./ Hawktree Solutions (the “**HTS**” or the “**Company**”) on July 11, 2023 (the “**Receivership Date**”) pursuant to a court order granted by the Ontario Superior Court of Justice Commercial List (the “**Receivership Order**”).

The Receiver is conducting an expedited sale process (the “**Sale Process**”) intended to solicit interest in a sale of the Company’s assets (the “**Transaction**”). The opportunity may include a sale of all, substantially all or one or more components of the Company’s assets (the “**Property**”).

The Receiver is soliciting expressions of interest (the “**EOIs**”, or each an “**EOI**”) in order to identify a limited number of parties that wish to purchase all, substantially all or one or more components of the Property. The Receiver invites you to submit an EOI regarding a potential Transaction. Your EOI should be based on the information contained in the confidential information memorandum (the “**CIM**”) provided to you, along with the contents of the virtual data room (the “**VDR**”) and any accompanying discussions. To the extent you require additional information before you submit an EOI, we would ask that you submit a list of questions to the Receiver in order to ensure an orderly and expedient response. The Receiver will seek to answer such questions as it sees appropriate to facilitate the submission of your EOI.

Timeline

The following table sets out the key milestones under the Sale Process. The dates set out in the Sale Process may be extended or abridged by the Receiver at its sole discretion.

Milestone	Deadline
Initiation of Sale Process	Thursday, July 13, 2023
Expression of Interest Date (EOI Deadline)	Friday, July 28, 2023 (5:00 PM Eastern Time)
Binding Letter of Intent Date (LOI Deadline)	Friday, August 4, 2023 (5:00 PM Eastern Time)
Bid Selection Date	Monday, August 7, 2023
Definitive Transaction Agreement	Friday, August 11, 2023
Hearing of the Sale Approval Motion / Transaction Execution Date	Subject to availability of the Court

Potential Bidders and Due Diligence Materials

Any party who wishes to participate in the Sale Process (a “**Potential Bidder(s)**”) must provide to the Receiver an executed non-disclosure agreement (the “**NDA**”) and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.

The Receiver shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered an NDA to the Receiver and provided information as to their financial wherewithal to close a Transaction, such access to due diligence material and information relating to the Property as the Receiver deems appropriate.

Due diligence shall include access to the VDR containing information about the Company and the Property, and may also include management presentations, on-site inspections, and other matters which a Potential Bidder may reasonably request and as to which the Receiver, in its reasonable business judgment, may agree. The Receiver 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.

A statement of qualification (“**SoQ**”) which addresses the financial capabilities, operational capabilities and ownership details of a Potential Bidder may be required to gain access to the VDR. This will be determined by the Receiver in its sole discretion.

The Receiver will not be obligated to furnish any information relating to the Property to any person other than to Potential Bidders. Furthermore, and for the avoidance of doubt, select due diligence materials may be withheld from certain Potential Bidders if the Receiver determines such information to represent proprietary or sensitive competitive information. The Receiver is not responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the sale of the Property.

Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the Sale Process and any Transaction they enter into with the Receiver.

Contents of EOI

Submission of EOIs shall be submitted with the Receiver no later than **5:00 PM (Eastern Time) on July 28, 2023 (the EOI Deadline)**). To be considered for inclusion in the next round of the process, your EOI should reflect the basis upon which you would enter into the Transaction, based on the information available to you, and should describe in sufficient detail all material matters relating to the proposed Transaction. While your EOI may be non-binding, at a minimum your EOI should include clear statements with respect to the following information:

- a) **Identity of the Purchaser.** Please specify the identity of the entity or entities acquiring all, substantially all or one or more components of the Property (i.e., if you propose acquiring the Property indirectly, through a subsidiary, a limited partnership or other entity), including the identity of any entity that controls such acquiring entity;

- b) **Purchase Price.** Please express the cash purchase price (in Canadian dollars) that you are prepared to pay in connection with the Transaction, including an explanation of key assumptions used to determine your purchase price (the “**Purchase Price**”).
- c) **Breakdown of Purchase Price.** Please provide initial indication that the acquisition of all, substantially all or a portion of the Property, and a breakdown of the Purchase Price by major parcel of Property as outlined in the Schedule attached to this letter;
- d) **Financing.** Please provide a discussion of how you propose to finance the Transaction and, if other than internal funds, the expected sources of such financing, the expected timing for commitment of funds and the steps required to secure such commitment;
- e) **Additional Diligence.** Please describe the nature of additional diligence you foresee being required before being comfortable entering into a binding agreement with the Receiver;
- f) **Management and Employees.** Please outline your future plans, if any, with respect to management and employees of the Company;
- g) **Other Approvals, Conditions and Timing.** Please outline any regulatory, shareholder, lender or other third-party approvals that would be required or potentially required and the estimated timetable required to conclude a Transaction and whether your EOI is conditional on any other items, along with the level of support your EOI has received within your organization. Further, please set out any conditions to closing that you wish to impose or any other terms and conditions that would be required in order to complete the Transaction;
- h) **Contact Information.** Please include the names and telephone numbers of those persons whom we should contact with respect to your EOI;
- i) **Other.** Please discuss any other matters you believe may be helpful in our evaluation of your interest in and ability to finance and complete the Transaction on a timely basis.

Formal Binding Offers

Potential Bidders shall submit binding offers or letters of intent (“**LOIs**” , or each an “**LOI**”) to purchase all, substantially all or one or more components of the Property the Receiver no later than **5:00 PM (Eastern Time) on August 4, 2023** (the “**LOI Deadline**”). The LOI shall remain open for acceptance until at least 5:00 PM (Eastern Time) on August 11, 2023 (the “**Acceptance Date**”).

A process letter will be sent to all Potential Bidders who submit an EOI informing of LOI submission requirements. A requirement of LOI submission will be a commitment to provide a deposit within 24 hours of acceptance by the Receiver of the Potential Bidder’s LOI in an amount equal to the greater of (i) 10% of the Purchase Price offered, and (ii) \$250,000. The deposit will be non-refundable except in the event of court approval not being obtained or the Receiver being unable to complete the Transaction.

Bid(s) Selection

This is not a tender. The highest or any offer will not necessarily be accepted. The Receiver reserves the right to reject, or accept, any LOI, including before the LOI Deadline.

The Receiver reserves the right to negotiate with any Potential Bidder, before or after the LOI Deadline, for changes to its LOI. The LOI submitted by the LOI Deadline by any such Potential Bidder shall remain capable of acceptance by the Receiver if no changes are made despite any such negotiations. The Receiver shall not be obligated to negotiate with other Potential Bidders despite having negotiated with another Potential Bidder.

On or before the Acceptance Date, the Receiver shall notify each Potential Bidder in writing as to whether its LOI is accepted (an accepted LOI being the “**Successful Bid**” and the Potential Bidder making such bid, the “**Successful Party**”).

In the event that the Receiver is not satisfied with the number or terms of the LOIs, the Receiver may extend the LOI Deadline, or amend or terminate the Sale Process.

The Receiver reserves the right, in its sole discretion, to terminate the Sale Process and accept any LOI before the LOI Deadline. Accordingly, Potential Bidders are encouraged to not wait until the LOI Deadline to submit their LOI.

Upon the acceptance of its LOI, the Successful Party will be bound to complete the Transaction and shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within one business day of the Successful Bid being selected as such, unless extended by the Receiver subject to the milestones set forth in the timeline table above. If the Successful Party fails to complete the Transaction, the Successful Party’s deposit shall be forfeited to the Receiver in addition to all other rights and remedies that the Receiver may have.

Sale Approval Motion Hearing

The completion of the Transaction with the Successful Party is subject to court approval. A Court date will be scheduled as soon as possible after the Acceptance Date to hear a motion to approve the Transaction (the “**Sale Approval Motion**”). At the Sale Approval Motion, the Receiver shall seek, among other things, approval from the Court to consummate the Successful Bid. In the event that Court approval is not obtained, the Successful Party’s deposit will be returned.

Delivery Details

The Receiver requests that your written EOI and LOI should be received by BDO as follows:

BDO Canada Limited
20 Wellington East
Suite 500
Toronto, Ontario
M5E 1C5

Clark Lonergan, Partner
clonergan@bdo.ca

Neil Jones, Partner
nejones@bdo.ca

Sales Process Disclaimer

The Receiver shall not have any obligation arising from the receipt of any EOI and/or LOI, rejection of any interested or prospective buyer, or the process of assessing any EOI and/or LOI. Any such obligation will arise only upon execution of a definitive purchase agreement and shall be limited to those specific obligations set forth in such definitive purchase agreement.

The Receiver expressly reserves the right at any time, with or without providing notice or reasons, to: (i) amend or terminate the process; (ii) decline to permit any interested party to participate in the process; (iii) negotiate with one or more interested parties with respect to a Transaction; (iv) terminate discussions with any or all interested parties; (v) reject any or all offers; (vi) accept an offer other than the highest offer; (vii) pursue other value maximizing alternatives; or (viii) limit access at any time to any additional information; all without any liability to the Receiver.

In addition, the Receiver reserves the right to amend any information which has been made available to interested parties either by way of addition, deletion, or amendment. Each interested party will be solely responsible for all costs incurred by it in connection with the process, and no finder's fees, commissions, expenses, or other compensation will be paid by the Receiver to agents, consultants, advisors or other intermediaries of any interested parties.

The Receiver and its representatives disclaim any and all liability for any information supplied to participants, either written or oral, and no representation or warranty is made with respect to the accuracy or completeness of such information. By submitting an EOI and/or LOI and/or a Bid, participants acknowledge that they are relying solely upon their own independent investigation and evaluation of the Property.

The existence and content of this letter, the CIM and the VDR are subject to the NDA which you have previously executed. You are not permitted to disclose the contents of the CIM or VDR to any third-party except as expressly permitted under the terms of the NDA.

All communication regarding the Transaction must be addressed to the Receiver who will co-ordinate all communication with interested parties. Under no circumstances should you contact the management, employees, customers or any other parties involved with the Company directly. The Receiver further reserves the right to exclude any interested party from the process if this communication guideline is breached.

The Receiver appreciates your interest in this opportunity and looks forward to working with you.

Sincerely,

BDO Canada Limited

Acting in its capacity as Receiver for
7132221 Canada Inc./ Hawktree Solutions
and not in its personal capacity

Per:

A handwritten signature in black ink, appearing to read "Neil Jones", written in a cursive style.

Neil Jones, CA, CPA CIRP, LIT
Senior Vice President