

IN THE MATTER OF THE PLAN OF ARRANGEMENT AND COMPROMISE OF
QUÉBEC PARMENTIER INC. ET AL. (COURT NO. 200-11-028827-239)

PROCESS FOR SOLICITING SALES OFFERS

This English translation is unofficial. In the event of discrepancies between the English and French versions, the French version will take precedence.

By virtue of an Initial Order of the Superior Court of Quebec (Commercial Division) for the District of Quebec (the "**Court**") rendered on October 10, 2023, as amended and reformulated by the Court on October 10, 2023, December 19, 2023 and March 1, 2024 (the "**Initial Order**"), Québec Parmentier Inc.; 9465-0850 Quebec Inc. 9490-0388 Quebec Inc, 9440-5818 Quebec Inc, 9440-5776 Quebec Inc, 9450-8405 Quebec Inc, Propur Inc, Marketing SEQ Inc, Gessam Inc, Légupro Inc (hereinafter collectively the "**Debtors**" or "**Groupe QP**") have obtained protection from their creditors under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36 (the "**CCAA Proceedings**"). Pursuant to the Initial Order, MNP Ltd. was appointed and confirmed as monitor of the Debtors ("**Monitor**") in the CCAA Proceedings.

The procedures set forth herein (the "**PSO Proceedings**") describe the framework by which the Monitor will conduct the process of soliciting sales offers (the "**PSO**") in order to lead to a potential transaction (the "**Transaction**") involving all or a portion of the assets of Groupe QP (collectively the "**PSO Assets**")¹. Parties wishing to have their offers considered must participate in the PSO conducted by the Monitor and comply with these PSO Proceedings.

The objective of the PSO Proceedings is to solicit the market in order to obtain Qualified Offers (as defined below) for the sale of the PSO Assets. In order to ensure a transparent process aimed at maximizing the value of the PSO Assets for the benefit of the Debtors' creditors and all stakeholders including creditors, employees and the community, it has been agreed that the Monitor will exercise expanded powers to act for and on behalf of the Debtors in the PSO Proceedings. The Monitor will consult with the relevant secured creditors in connection with the PSO Proceedings.

The Initial Order, the PSO Proceedings and any other order of the Court issued in connection with the CCAA Proceedings exclusively govern the process of soliciting and selecting offers for the sale of the PSO Assets (the "**Opportunity**"), all subject to the conditions set forth therein.

1. PSO Proceedings

Opportunity:

¹ The assets will be presented in lots according to each Debtor's ownership of the assets.

- (a) The purpose of the PSO is to solicit interest in acquiring the PSO Assets.
- (b) In the event of any dispute relating to the interpretation or application of the PSO or PSO Proceedings, the Court, on the record of the Initial Order, shall have exclusive jurisdiction to determine and resolve the same.
- (c) Stages:

| | <u>Stages</u> | <u>Date</u> |
|----|--|---|
| A. | Court approval of the PSO Procedure | As at May 24, 2024 |
| B. | Opportunity sent to parties with potential interest | May 24, 2024 |
| C. | Due diligence period | From May 24, 2024, to July 12, 2024, at noon (12pm) |
| D. | Deadline for submission of Offers (as defined below) | No later than July 12, 2024, at noon (12pm) |
| E. | Selection of the winning offers | July 16, 2024 |
| F. | Deadline for finalizing documentation for winning offers | No later than July 18, 2024 |
| G. | Submission, where applicable, of a request for the approval of the Transaction | July 31, 2024 |
| H. | Closing of the Transaction | August 2, 2024 |

2. Participation Requirements

Unless otherwise determined by the Monitor, in its sole discretion, in order to participate in the PSO, each prospective purchaser must provide the following documents to the Monitor (the "**Participation Documents**"):

- (a) A letter setting forth the identity of the prospective purchaser and its ultimate beneficiaries (and, if applicable, its limited partner), contact information for such prospective purchaser and its principal advisors, and full disclosure of any affiliation the prospective purchaser has or may have had with the Debtors, including the officers, directors, managers of shareholders thereof.
- (b) A signed non-disclosure agreement, as prepared and distributed by the Monitor.

- (c) Any other additional information that may be reasonably requested by the Monitor.

3. Identification of Potential Bidders and Due Diligence Review

As promptly as practicable after delivery by a prospective purchaser of its Participation Documents, such prospective purchaser shall be deemed to be a potential bidder to the extent that the Monitor determines, in its reasonable business judgment, that such prospective purchaser is likely to be able to consummate an acquisition (a "**Potential Bidder**").

Following the foregoing determination, the Monitor will grant all Potential Bidders access to a virtual data room containing information on the PSO Assets to enable such Potential Bidders to perform their due diligence. Secured creditors holding security interests in the PSO Assets and/or their representatives will also have access to the virtual data room.

Potential Bidders may also, upon request to the Monitor, visit and inspect the PSO Assets at a time to be agreed upon with the Monitor. Secured creditors holding security interests in the PSO Assets and/or their representatives may also participate in such visits.

The Monitor makes no representations or warranties as to the information made available under the PSO.

4. Submitting a Binding Offer

In order to be considered, any offer by a Potential Bidder with respect to the PSO Assets (an "**Offer**") must be delivered in writing to the Monitor no later than July 12, 2024, at noon (12pm). (Eastern Standard Time) in a sealed envelope delivered by certified mail or courier, or by email, to the following coordinates:

By mail:

MNP Ltée.

1155, René-Lévesque West, 23rd Floor, Montreal, QC H3V 2K2

Attention:: Mr. Pierre Marchand

By email at: pierre.marchand@mdp.ca

In addition to the above, all Offers submitted by Potential Bidders must, in order to be considered by the Monitor as a "**Qualified Offer**":

- (a) Be duly signed by all required parties.
- (b) Indicate the aggregate purchase price proposed in respect to the PSO Assets subject to the Offer, as well as the breakdown of such price on each of such assets subject to the Offer, excluding applicable sales taxes.

- (c) Be unconditional, with the exception of the issuance of the Court Approval and Vesting Order (as defined below).
- (d) The purchase price under the Offer will be payable in full at the latest as at closing (without withholding, reservation, balance of sale, deferred payment, earn-out or other deductions whatsoever, and net of transfer taxes, if any) in cash, in Canadian dollars.
- (e) To be considered a "Qualified Bidder", the Potential Bidder must provide, with its Offer:
 - (i) Written confirmation that the Offer is not subject to any conditions, including any additional due diligence or financing conditions, and that it has relied solely on its own independent review, investigation and/or inspection in making its Offer.
 - (ii) Written confirmation that the Offer is made in accordance with the terms and conditions set forth in the PSO Proceedings, which are accepted in their entirety by the Potential Bidder.
 - (iii) Satisfactory evidence, at the Monitor's discretion, of access to funds or of having previously obtained sufficient financing from a recognized financial institution, which will reasonably enable the Monitor to determine the Potential Bidder's ability to complete the transaction contemplated by the Offer no later than July 31, 2024 (the "**Closing Date**").
 - (iv) If the Potential Bidder is a legal entity, evidence of authorization and approval of the Potential Bidder's board of directors (or comparable decision-making entity) with respect to the filing of the Offer, which evidence must be satisfactory to the Monitor.
 - (v) A deposit in the amount of 10 (ten) % of the Purchase Price in the form of a bank transfer or certified cheque made payable to MNP Ltd. IN TRUST (the "**Offer Deposit**"), to be held by the Monitor in a non-interest bearing trust account and refunded only if the Monitor accepts another Offer. In the event that the Monitor accepts an Offer and the transaction contemplated under such Offer fails to close prior to the Closing Date (or such later date as may be agreed by the Monitor, in its sole discretion) for any reason not attributable to the Monitor, other than failure to obtain the required Court approval, the Monitor shall be entitled to retain the Offer Deposit as liquidated damages, and the party making such Offer shall be deemed to have forfeited it; and
 - (vi) Written confirmation that the Offer (i) may be accepted by the Monitor by countersigning the same, and (ii) is irrevocable and may be accepted until July 31, 2024.

The Monitor may, after receipt of an Offer and consultation with the relevant secured creditors and/or their representatives, request clarification of the terms or conditions of such Offer and/or request and suggest one or more amendments to such Offer before determining whether the Offer should be considered a Qualified Offer.

Each Qualified Bidder expressing an interest in the PSO Assets must comply with all reasonable requests by the Monitor for additional information regarding such Qualified Bidder and the contemplated Transaction, including information regarding the identity of each entity that will offer or otherwise participate in such Offer, and the complete terms of such participation. Failure by a party to comply with such requests for additional information may constitute grounds for the Monitor to disregard a Qualified Offer submitted by such party.

The Monitor may, after consultation with the relevant secured creditors and/or their representatives, waive one or more of the non-material requirements of the PSO Proceedings and consider any non-conforming Offer for the purposes of determining a Qualified Offer.

5. Opening of Offers and Selection of One or More Qualified Offers

Offers received by the Monitor on or before the deadline for submission of Offers, i.e. July 12, 2024 at noon (12pm), will be opened by the Monitor as soon as possible thereafter. The relevant secured creditors and/or their representatives will be invited to the opening of the Offers.

Following the opening of the Offers, the Monitor will determine, after consultation with the relevant secured creditors, which Qualified Offer(s) will be the most advantageous to all parties involved (the "**Retained Offer(s)**") and will promptly notify the Qualified Bidder(s) who submitted the Retained Offer(s) (the "**Retained Bidder(s)**").

The Retained Offers, if any, must be selected no later than July 16, 2024, and the definitive documentation relating to the Retained Offers must be finalized and executed no later than July 18, 2024, such definitive documentation being conditional only upon the issuance of a Court Approval Order, and providing that the Retained Bidders shall use all reasonable efforts to complete the proposed transaction no later than the Closing Date, or such later time as may be agreed between the Monitor and the Retained Bidders.

6. Approval of the Sale

The closing of the transactions set forth in the Retained Offers will be subject to the approval of the Court (the "**Approval and Vesting Order**"). Retained Bidders who have completed the transactions set out in the Retained Offers by the Closing Date (or such later date as may be agreed with the Monitor) are hereinafter referred to as the "**Purchasers**".

All adjustments will be calculated on the Closing Date and all costs of the sale, including notary and registration fees, if any, will be borne by the Purchasers.

The Monitor requires that the sale be concluded with a notary chosen by the Purchasers and approved by the Monitor, where applicable. The costs of preparing the sale will be borne by the

Purchasers. The costs of discharge and cancellation of encumbrances on the assets in question, if any, will be borne by Groupe QP.

Following the issuance of the Approval and Vesting Order, the Monitor will return the Offer Deposits of the Qualified Offers that have not been selected.

7. Taking of Possession

Possession of the PSO Assets covered by the Transaction will take place on the Closing Date, unless the Monitor or the Court authorizes a longer delay.

8. Absence of Warranty

The PSO Assets shall be purchased as is, at the risk and peril of the Purchasers. There shall be no legal or contractual warranty, expressed or implied, and specifically, without limitation, no warranty as to description, condition, cost, size, merchantability, fitness for purpose, quantity or quality thereof. Without limiting the foregoing, all expressed or implied conditions or warranties under the Civil Code of Quebec shall be excluded and shall be expressly waived by Purchasers. In addition, Purchasers shall acknowledge that the Monitor is not a professional salesperson.

By submitting an Offer, each Potential Bidder shall be deemed to acknowledge and represent that it has had the opportunity to perform its due diligence with respect to the PSO Assets prior to submitting its Offer, that it has relied solely on its own independent review, investigation and/or inspection of any documents and/or the PSO Assets in making its Offer, and that it has not relied on any representations, promises or warranties, written or oral, whatsoever, express, implied, by operation of law or otherwise, with respect to the PSO Assets, or the completeness of any information provided in connection therewith.

9. Other Reserves

The Monitor, after consultation with the relevant secured creditors and/or their representatives:

- (a) Has the right, at its sole discretion, to reject, at any time, any offer which:
 - (i) Is inadequate or insufficient.
 - (ii) Contains conditions that may delay or complicate the closing of the transaction or reduce the proceeds available to stakeholders.
 - (iii) Does not comply with the PSO Proceedings as described herein; or,
 - (iv) Is contrary to the best interests of Groupe QP and its stakeholders as determined by the Monitor.

- (b) May impose additional terms and conditions and/or otherwise modify the procedures described herein at any time, insofar as this is in the interest of the principal parties concerned, in particular the secured creditors.
- (c) May reject all offers; and
- (d) May terminate the PSO Proceedings, in the event of the filing of a plan of arrangement that would be viable in the opinion of the Monitor or any other development in the interest of the principal interested parties, in particular the secured creditors.

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