

**INFORMATION LETTER REGARDING A PLAN OF COMPROMISE AND
ARRANGEMENT (the “PLAN”) UNDER THE COMPANIES’ CREDITORS
ARRANGEMENT ACT (“CCAA”)**

IN RESPECT OF

THE JOSEPH RICHARD HOSPITALITY GROUP LTD., 1138279 B.C. LTD., 1164312 B.C. LTD., AD PROLEM CAPITAL INVESTMENTS LTD., CLOVER 67 PRIVATE DINING ROOM LTD., EDITH & ARTHUR PUBLIC HOUSE LTD., JOSEPH BOURQUE INVESTMENTS LTD., JOSEPH RICHARD INVESTMENTS LTD., JOSEPH RICHARD IP HOLDINGS LTD., JOSEPH RICHARD MANAGEMENT LTD., JRG CANTEEN VIRTUAL KITCHEN LTD., JRG CLOVER STATION LRS LTD., JRG CLOVERDALE HOLDINGS LTD., JRG CLOVERDALE VENTURES LTD., JRG FOODHALL (VANCOUVER) VENTURES LTD., JRG GLASS HOUSE ESTATES WINERY LTD., JRG LEDGEVIEW HOLDINGS LTD., JRG STEVESTON HOTELS LTD., JRG SYSTEMS LTD., JRG WHISKEY CHARLIE CAFE, PITT MEADOWS LTD., LIVELYHOOD PUBLIC HOUSE LTD., LOWERCASE CAPITAL CONSULTING LTD., MICKY’S INVESTMENTS (COQUITLAM) LTD., MONKEY SEE TIKI BAR LTD., OAK & THORNE PUBLIC HOUSE LTD., OCEANSIDE YACHT CLUB AND PUBLIC HOUSE LTD., S & L KITCHEN & BAR HOLDINGS ABBOTSFORD LTD., S & L KITCHEN & BAR HOLDINGS LANGLEY LTD., S & L KITCHEN & BAR HOLDINGS SOUTH SURREY LTD., STEVESTON HOSPITALITY SERVICES LTD., SUDO ASIAN KITCHEN HOLDINGS (LANGLEY) LTD., THE ITALIAN OSTERIA AND CHEESE BAR LTD., THE PHAT BIRD PUBLIC HOUSE LTD., THE STUDY PUBLIC HOUSE LTD., TOWNHALL HOLDINGS (ABBOTSFORD) LTD., TOWNHALL HOLDINGS (CHILLIWACK) LTD., TOWNHALL HOLDINGS (COQUITLAM) LTD., TOWNHALL HOLDINGS (MAPLE RIDGE) LTD., TOWNHALL HOLDINGS (SOUTH SURREY) LTD., TOWNHALL HOLDINGS LTD., AND WHISKEY CHARLIE HOLDINGS LTD. (THE “**PETITIONERS**”), AND

BLANK CANVAS CATERING LTD., JRG QUEENS LRS VENTURES LTD., JRG CHILLIWACK HOLDINGS LTD., JRG GROWTH VENTURES LTD., JRG PUBLISHED HOLDINGS LTD., AND JRG WHIP HOLDINGS LTD. (COLLECTIVELY, WITH THE PETITIONERS, THE “**JOSEPH RICHARD GROUP**”)

On July 17, 2023, (the “**Filing Date**”), the Joseph Richard Group commenced proceedings pursuant to the CCAA (the “**CCAA Proceedings**”). Ernst & Young Inc. (“**EYI**”) consented to act as the court-appointed monitor (the “**Monitor**”) in the CCAA Proceedings. On July 27, 2023, the Petitioners sought and obtained orders authorizing and directing the Petitioners, with the assistance of the Monitor, to administer a “Claims Process” to determine the claims of creditors (“**Claims**”).

On December 14, 2023, the Petitioners sought and obtained orders authorizing and directing the Petitioners, with the assistance of the Monitor, to call, hold and conduct a “**Creditors’ Meeting**” to consider and vote on the Plan.

This letter has been prepared by the Monitor in respect of the distribution of the Plan and the solicitation of proxies for use at the Creditors’ Meeting to consider the Plan.

A description of the Petitioners, the timeline of events resulting in these proceedings and background regarding the Plan is provided in a Report of the Proposed Monitor (the “**Monitor’s Report**”) that is available together with copies all materials and documents, including the Court Orders referenced in this letter on the Monitor’s website at www.ey.com/ca/jrg.

All capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the Plan.

Introduction

The purpose of this Plan is to effect a compromise and settlement of all Affected Claims, and if achieved, the Petitioners will be able to continue operations as going-concern businesses.

On implementation of the Plan, the Petitioners and its Directors and Officers will be released from all Affected Claims. If the Plan is approved by the Affected Creditors and sanctioned by the Court, it is anticipated that the Debtors will enter into an Exit Financing Agreement following which time they will (a) satisfy the Secured Claims of Canadian Western Bank (“**CWB**”), Bank of Montreal (“**BMO**”), and His Majesty the King in right of the Province of British Columbia (the “**Province**”) in the manner set out in the Plan; and (b) pay to the Monitor an amount sufficient to make the distribution to the Unsecured Creditors described in the Plan. The Plan provides for payment in full of Unsecured Creditors with Proven Claims of \$2,000; payment of \$2,000 to Unsecured Creditors with Proven Claims in excess of \$2,000 who elect to receive \$2,000; or payment of two cents on the dollar up to a maximum payment of \$25,000 per creditor of Unsecured Creditors with Proven Claims in excess of \$2,000 who do not elect to receive \$2,000.

The Petitioners’ ability to enter into the Exit Financing Agreement with a prospective lender will depend upon both: (a) the approval of this Plan by the Affected Creditors; and (b) the Petitioners entering into Restructuring Support Agreements with each of CWB and BMO.

Absent this Plan and the funding to be provided by a prospective lender pursuant to an Exit Financing Agreement, there will be no funds available for distribution to the Unsecured Creditors. As a result, affected stakeholders will derive a significantly greater benefit from the refinancing transaction and resultant distributions than would result from a bankruptcy or liquidation of the Petitioners.

The Plan shall have two (2) classes (“**Classes**”) of creditors (collectively, the “**Affected Creditors**”) which shall receive the following treatment:

Class	Treatment
Unsecured Claim	<ul style="list-style-type: none"> <li data-bbox="605 1289 1427 1419">□ Each Unsecured Creditor with a Proven Claim the amount of which is <u>equal to or less than \$2,000</u> shall receive a cash distribution in an amount equal to 100% of their Proven Claim. <li data-bbox="605 1457 1427 1587">□ Each Unsecured Creditor with a Proven Claim the amount of which is greater than \$2,000 who files a Convenience Creditor Election shall receive a cash distribution in an amount equal to \$2,000. <li data-bbox="605 1625 1427 1780">□ Each Unsecured Creditor with a Proven Claim the amount of which is greater than \$2,000 who does not file a Convenience Creditor Election shall receive a cash distribution in an amount equal to two cents for each dollar of their Proven Claim.
Secured Claim	<ul style="list-style-type: none"> <li data-bbox="605 1820 1427 1919">□ CWB and BMO shall each receive consideration in accordance with their respective Restructuring Support Agreements

	<ul style="list-style-type: none"> □ The Province shall receive \$32,500 on account of its Secured Claim, and shall be treated as an Unsecured Creditor in respect of the Province of British Columbia Deficiency Claim.
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At the Creditor's Meeting, the Affected Creditors will vote on whether to approve the Plan.

Filing of Claims

To participate in any voting or distribution associated with the Plan, any party having a Claim must have filed a Proof of Claim with the Monitor, in accordance with the Claims Process Order made July 27, 2023, by no later than 5:00 p.m. Pacific Time ("**PT**") on September 15, 2023 (the "**Claims Bar Date**").

Creditors' Meeting

The Creditor's Meeting will be held at 10:00a.m. PT on February 29, 2024, via teleconference (MS Teams) and in accordance with the Meeting Order.

Affected Creditors with a proven Affected Claim shall be entitled to attend and vote at the Creditors' Meeting in person or by proxy.

Creditor Voting

To vote by proxy an Affected Creditor must submit the Proxy and Voting Letter to the Chair on or before 12:00 p.m. PT on February 26, 2024, or must deposit the Proxy with the Chair before the beginning of the Creditor's Meeting.

Each Affected Creditor with one or more Proven Claims shall be entitled to one (1) vote in the appropriate creditor class and the weight attributed to such vote (for the purposes of determining the Required Majorities) shall be equal to the aggregate Canadian dollar value of such Affected Creditor's Proven Claim.

Approval by an Affected Creditor Class

EYI will seek approval of this Plan by the affirmative vote of the Required Majority of the Affected Creditors with Proven Claims in each Class.

Required Majority means, with respect to each Class, a majority in number of Affected Creditors whose Proven Claims represent at least two-thirds in value of the Affected Claims of Affected Creditors in that Class, who vote (in person or by proxy), or who are deemed to vote at the Meeting, voting in favour of the resolution to approve the Plan.

Monitor's Recommendation

As noted above, for reasons described in the First Monitor's Report, the Monitor is of the view that the alternative to the Plan is the liquidation of the Petitioners, which would result in no recovery to Unsecured Creditors.

An analysis and basis for its recommendations are set out in the Fifth Monitor's Report.

If you have any questions regarding this letter or any of the documents contained in this mailing, please contact Mr. Kaleb Dekker by telephone at 604 648 6716 or by email at kaleb.dekker@parthenon.ey.com.

Ernst & Young Inc.

In its capacity as Monitor of the Petitioners and
not in its personal or corporate capacity

Per:

A handwritten signature in black ink, appearing to be 'Mike Bell', written over a light gray background.

Mike Bell, CPA, CA, CIRP, LIT
Senior Vice President