

Court No.: CV-20-00645116-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF TRIBALSCALE INC.**

**THIRD REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS COURT APPOINTED MONITOR
OF
TRIBALSCALE INC.**

JANUARY 9, 2021

I. INTRODUCTION

1. On May 19, 2020 (the “**NOI Filing Date**”), Tribalscale Inc. (“**Tribalscale**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to Section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. (“**MNP**”) was named proposal trustee in the NOI proceeding. Tribalscale’s NOI proceedings are referred to herein as the “**NOI Proceedings**”.
2. On July 31, 2020, the Court issued an order that, *inter alia*, ordered:
 - a. a stay of proceedings in favour of Tribalscale until October 31, 2020 (the “**Stay Period**”);

- b. declaring that the NOI Proceedings be continued under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C. C-36, as amended ("**CCAA**");
 - c. the appointment of MNP as the Monitor (the "**Monitor**") in the CCAA proceedings (the "**CCAA Proceedings**"); and
 - d. charges on the properties, assets and undertakings of the Company (collectively the "**Property**"), in the following order of priority:
 - i. Administration Charge - to the maximum amount of \$125,000; and
 - ii. Directors' Charge - to the maximum amount of \$125,000.
3. The Monitor has filed two reports in respect of the CCAA Proceedings, as summarized below:
- a. On October 28, 2020, the Monitor filed its first report (the "**First Report**") in support of the Company's motion to approve, *inter alia*: (i) extending the Stay Period until January 31, 2021; and (ii) the Restructuring Support Agreement between Tribalscale and its senior secured creditor, 1924191 Ontario Inc. ("**192**") (the "**RSA**"). On October 30, 2020, the Court approved the RSA and granted the requested extension of the Stay Period.
 - b. On November 24, 2020, the Monitor filed its second report (the "**Second Report**") in support of the Company's motion to seek a Court order, *inter alia*, (i) authorizing the filing of Tribalscale's Plan of Compromise and Arrangement; (ii) authorizing the Company, with the assistance of the Monitor, to call, hold and conduct a meeting of creditors (the "**Meeting**") to consider and vote on the Tribalscale's Plan of Compromise and Arrangement dated November 22, 2020 (as amended on January 4, 2021) (the "**Plan**"); and (iii) approving the procedures to be followed at the Meeting, including the voting procedures. On November 25, 2020, the Court granted an order (the "**Meeting Order**"), a copy of which is enclosed as **Appendix "A"**. The First Report and Second Report (without appendices) are attached as **Appendix "B"** and **"C"**, respectively.

4. Subsequent to the Meeting Order and as detailed below, prior to the Meeting being held, Tribalscale made certain modifications to the Plan, a copy of which is attached as Exhibit “E” to the January Affidavit (as such term is defined below).
5. Information regarding the NOI Proceedings and the CCAA Proceedings has been posted to the Monitor’s case website (the “**Case Website**”) at <https://mnpdebt.ca/en/corporate/corporate-engagements/tribalscale-inc>.
6. As noted in the Jaitly Affidavits (as such term is defined below), the primary objectives of the CCAA Proceedings are to create a stabilized environment for Tribalscale to continue operating as a going concern business while the Company works with the Monitor and other advisors to (i) resolve a dispute with a customer, Sirius XM Connected Vehicle Services (“**Sirius XM**”); and (ii) to implement the RSA by way of a plan of arrangement under the CCAA (the RSA was enclosed as Exhibit “A” of the November Affidavit (as such term is defined below)).

II. RESTRICTIONS

7. In preparing this Third Report and making the comments herein, the Monitor has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the affidavits of Sheetal Jaitly, Tribalscale’s CEO, dated June 15, 2020 and July 25, 2020 filed in the NOI Proceedings and the affidavits of Sheetal Jaitly, dated October 27, 2020, November 22, 2020 (the “**November Affidavit**”) and January 6, 2021 (the “**January Affidavit**”) in connection with the CCAA Proceedings (collectively, the “**Jaitly Affidavits**”), Tribalscale’s books and records, discussions with Tribalscale’s management (“**Management**”) and information from other third-party sources (collectively, the “**Information**”). Except as specifically noted in this Report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
8. The Monitor also bases its report on the Company’s cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in

accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the information referred to in this Third Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial information referred to in this Third Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on the Company's business and the economy in general has yet to be determined. In developing the cash flow projections, Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

9. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.
10. Capitalized terms not defined in this Report have the meaning ascribed to them in the Plan.

III. PURPOSE OF THIS REPORT

11. The purpose of this Report (the "**Third Report**") is to:
 - a. Update the Court with respect to:
 - i. the activities of the Company and the Monitor since the Second Report;
 - ii. the Company's actual cash flows for the period from October 12, 2020 to January 3, 2021, as well as any material variances between these actual

- receipts and disbursements and the revised cash flow forecast (the “**Second Revised Cash Flow Forecast**”), which was appended to the First Report and attached hereto as **Appendix “D”**;
- iii. an overview of the modifications to the Plan;
 - iv. the results of the Meeting convened virtually on January 5, 2021 pursuant to the Meeting Order;
- b. provide the Monitor’s support for, and observations in respect of Tribalscale’s request that the Court grant an order, *inter alia*:
- i. sanctioning the Plan;
 - ii. approving the Releases (as such term is defined below) contained in the Plan;
 - iii. adding a newly incorporated subsidiary company of Tribalscale, 2800741 Ontario Inc. (“**Newco**”), as an Applicant in the CCAA Proceedings; and
 - iv. approving the vesting in Newco of: (i) all of Tribalscale’s unsecured liabilities, and (ii) Tribalscale’s claims against Sirius XM, which include (among other things) any actions, claims, rights or lawsuits of any nature owing to Tribalscale by SiriusXM under a professional services agreement dated April 26, 2019 as further particularized through individual statements of work including the statement of work effective November 23, 2019 (the “**SiriusXM Receivable**”).

IV. BACKGROUND INFORMATION

12. Tribalscale is an Ontario corporation that until May 19, 2020 was carrying on business out of leased premises located at 200 Wellington Street West, Toronto, Ontario.
13. Tribalscale is a technology innovation firm providing services to companies located in Canada and United States on digital product strategy, design and development for web, mobile and emerging tech. The Company partners with large enterprises and teaches them the practices and approaches needed to release digital products to market that satisfy their consumers.

V. ACTIVITIES OF THE COMPANY

14. Since the Second Report, the Company has *inter alia*:

- a. with the assistance of its legal counsel and the Monitor and Borden Ladner Gervais LLP (“**BLG**”) the Monitor’s legal counsel, formulated the Plan, including amendments thereto; and
- b. carried on its business in the ordinary course, including providing a reporting of actual receipts, disbursements and variances to the Monitor.

VI. ACTIVITIES OF THE MONITOR

15. The Monitor has undertaken the following activities since the Second Report, *inter alia*:

- a. updated the Case Website, as necessary;
- b. communicated via email and telephone with the stakeholders to address their inquiries;
- c. chaired the Meeting, which was held virtually on January 5, 2021 pursuant to the Meeting Order. Pursuant to the Meeting Order, the Monitor directed a vote on the resolution to approve the Plan. The results of the vote are discussed in further detail below;
- d. monitored Tribalscale’s actual cash flows in comparison with the Second Revised Cash Flow Forecast;
- e. discussed with representatives of Canada Revenue Agency (“**CRA**”) its claim for unpaid source deductions, which culminated in CRA submitting a claim for unpaid source deductions in the amount of \$13,719.85 inclusive of penalty and interest, which is lower than the approximately \$18,130.00 that was reflected as owing to CRA on account of unpaid source deductions in the First Report. The Plan provides that Crown Claims outstanding at the Filing Date shall be paid in full within six months after the Sanction Order, as required by subsection 6(3) of the CCAA.

- f. prepared this Report; and
- g. engaged in discussions with the Company and its counsel regarding the Company's efforts to restructure its operations.

VII. CASH FLOW PROJECTIONS

- 16. To date, Tribalscale has provided the Monitor with its full co-operation and unrestricted access to its books and records.
- 17. The Monitor has implemented procedures for monitoring the Company's receipts and disbursements and has kept in close contact with Management to ensure that operations are continuing in the normal course of business and in accordance with the Second Revised Cash Flow Projections.
- 18. A summary of the Company's actual receipts and disbursements as compared to those presented in the Second Revised Cash Flow Projections for the twelve-week period October 12, 2020 through January 3, 2021 ("**Monitored Period**") are as follows (subject to rounding errors):

Currency: CAD	Cumulative Twelve-Week Period Ended Jan 3, 2021		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Receipts from customers	591,655	618,789	(27,134)
Canada Emergency Wage subsidy	254,752	245,216	9,536
Sale of Equipment and Fixture	21,825	15,490	6,335
Miscellaneous income	27,181	-	27,181
Total receipts	895,412	879,495	15,918
Disbursements			
Payment to suppliers	(4,876)	(4,876)	-
Payments for operating expenses	(143,999)	(150,179)	6,180
Payroll (inc. contractors)	(1,028,168)	(614,968)	(413,200)
Interest and loan repayment	-	(33,159)	33,159
Tax	(78,368)	(73,731)	(4,637)
Total Disbursements	(1,255,411)	(876,913)	(378,498)
Operating Net Cash Flow	(359,999)	2,581	(362,580)
Administrative Fees	(118,471)	(150,000)	31,529
Net Cash Flow	(478,469)	(147,419)	(331,051)
Beginning Cash	2,132,722	2,132,722	-
Net Cash Flow	(478,469)	(147,419)	(331,051)
Ending Cash	1,654,253	1,985,304	(331,051)

19. Overall, Tribalscale realized an unfavorable net cash flow variance of approximately \$331.05M during the Monitored Period. The key components of the variance are as follows:

- a. Receipts from customers: The unfavorable variance of approximately \$27.13M is primarily a timing difference relating to collections from two customers totaling approximately \$244M, which was collected after the Monitored Period. This timing difference is offset by a permanent favourable variance on account of collections of approximately \$216M from two customers, which collections resulted from statements of work that were entered into by Tribalscale after the Second Revised Cash Flow Projections were developed.

- b. Sale of Equipment and Fixture: As previously reported in the Second Report, the Company realized approximately \$21.8M (net book value of approximately \$159.2M), which was higher than what had been expected. The favorable variance is permanent in nature.
- c. Miscellaneous income: relates to i) reimbursement of subscription expenses of \$5.9M received on a quarterly basis from an entity in Dubai which utilizes certain IT services of Tribalscale; ii) interest of \$8.5M on an income tax refund received in August 2020 related to SRED and iii) refundable income tax credits of \$12.7M received from CRA on account of Tribalscale's providing internship opportunities to students. These amounts had not been projected and as such this favorable variance is permanent in nature.
- d. Payroll: The unfavorable variance of \$413.2M is permanent in nature and primarily relates to payment of approximately \$320M paid to three (3) individuals in respect of deferred salaries payable, including approximately \$290M paid to Sheetal Jaitly. The remaining variance relates to a bonus of \$22,500 paid in aggregate to three (3) employees, including \$7,500 to Sheetal Jaitly, a vacation payout to two (2) employees and unprojected wages paid with respect to four (4) employees that were hired after the Second Revised Cash Flow Projections were developed.
- e. Interest and loan repayment: The favorable variance of \$33.1M is timing in nature as Business Development Bank of Canada ("BDC") stopped automatic withdrawals of principal and interest payments upon the filing of the NOI by the Company in May 2020. Under the terms of the Plan, BDC is to be paid in full. On January 8, 2021, BDC advised that as at January 15, 2021 the loan payout will be \$117,085.52.
- f. Administrative fees: The favorable variance appears to be permanent in nature and is primarily attributable to lower than anticipated expenses during the Monitored Period. The Administrative Professionals having been regularly billing Tribalscale and Tribalscale has paid invoices promptly upon receipt.

VIII BACKGROUND ON THE PLAN

20. As noted in the Jaitly Affidavits, one of Tribalscale's key objectives in the CCAA Proceedings is to resolve its secured indebtedness with 192. Tribalscale was involved in ongoing negotiations with 192, culminating in the parties entering into the RSA.
21. The purpose of the Plan, like the RSA, is to effect a restructuring of Tribalscale's secured indebtedness with the expectation that persons having an economic interest in the Company, when considered as a whole, will derive a greater benefit from the implementation of the Plan than would result from Tribalscale's bankruptcy. In the Monitor's view, the amendments to the Plan, as discussed in detail below, do not materially change the transaction contemplated by the RSA or significantly impact the treatment of Tribalscale's creditors under the Plan.

THE CREDITORS MEETING

22. In accordance with the Plan and the Meeting Order, the Monitor:
- a. on December 8, 2020, (i) sent by e-mail copies of the Notice of Creditors' Meeting and Sanction Hearing, the Meeting Order, the Plan, and the Proxy (together, the "**Voting Package**") to each Affected Secured Creditor; and (ii) posted an electronic copy of the Voting Package on the Case Website;
 - b. on December 9, 2020, the Monitor referred each of the Affected Secured Creditors to the Second Report, which provided the Monitor's report regarding the Plan.

Adjournments

23. The Meeting of the Affected Secured Creditors was originally scheduled to be held on December 10, 2020 at 4 PM and to take place by videoconference. The Meeting was adjourned on two (2) occasions; first to December 17, 2020 and then to January 5, 2021. On each occasion, in accordance with the Meeting Order, the Monitor's legal counsel served Notice of Adjournment (the "**Adjournment Notice**") on the service list and the Monitor posted the Adjournment Notice to the Case Website. The adjournments allowed Tribalscale time to, among other things, make certain modifications to the Plan.

Modifications of the Plan

24. The modifications to the Plan are detailed in the January Affidavit and are not duplicated herein, with the main amendments seeking “to (i) ensure all corporate approvals necessary to effect the Plan are in place (ii) implement the issuance of preferred shares to 192 for tax purposes; (iii) conform the Plan to the terms of the RSA and other pre-existing documents; and (iv) facilitate Tribalscale’s exit from CCAA protection as soon as possible.” The Monitor’s comments on the modifications are reflected in the Reverse Vesting Order section below and relate specifically to:

- c. Newco being added as an applicant in the CCAA Proceedings;
- d. the assignment of the Sirius XM Receivable from Tribalscale to Newco pursuant to the term of the RVO; and
- e. Section 95-101 of the BIA and any applicable law relating to preferences, settlements, fraudulent conveyances or transactions at undervalue shall not apply in any respect to the Plan.

Results of the Meeting

25. The meeting was convened on January 5, 2020 at 4 PM (Toronto time). with Sheldon Title, Senior Vice President of MNP presiding as the chair and the secretary of the Meeting. A copy of the minutes of the Meeting are attached as **Appendix “E”**.

26. The Affected Secured Creditors voted unanimously in favour of the Plan; 192 voted its entire Proven Claim in favour of the Plan and BDC was deemed to have voted its entire Proven Claim in favour of the Plan.

IX. SANCTION ORDER

27. The Monitor recommends that the Court sanction the Plan for the following reasons:

- a. the Affected Secured Creditors voted in favour of the Plan;
- b. the Plan contemplates the continued operation of Tribalscale’s business;

- c. 192's contemplated conversion of a portion of 192's secured debt to equity will enable Tribalscale to continue its operations by reason of reducing its debt service payments;
- d. the classification of the Affected Secured Creditors into two classes is fair and reasonable having regard to the factors detailed in section 22 of the CCAA, including the:
 - i. nature and rank of any security in respect of their claims;
 - ii. the remedies available to the creditors in the absence of the Plan;
 - iii. the lack of commonality of interest given the contemplated treatment of each of the Affected Secured Creditors under the Plan; and
 - iv. 192's secured debt will be compromised under the Plan, whereas BDC's secured debt will be repaid in full.
- e. the Plan is consistent with the RSA, which as noted above, was previously approved by the Court;
- f. BLG has provided the Monitor with an opinion confirming that, subject to certain standard assumptions and qualifications, that the Bank of Nova Scotia loan and security in respect of Tribalscale, as assigned to 192 is valid and enforceable as against the Company;
- g. the Monitor has reviewed the releases contemplated by the Plan and is of the view that they are fair, reasonable and appropriate in the circumstances as the Released Parties: (i) materially contributed to Tribalscale's restructuring; (ii) the releases are rationally connected to the purpose of the Plan; (iii) the Affected Secured Creditor voting on the Plan had knowledge of the releases contemplated by the Plan and, as of the date of this report, have not objected to the releases;
- h. the releases do not include a release of claims prohibited from release by operation of subsection 5.1(2) of the CCAA; and

- i. the Plan is intended to maintain Tribalscale as a going concern in order to preserve the revenue-generating capabilities of the Company for the benefit of all stakeholders, including employees, trade creditors and suppliers.

X. REVERSE VESTING ORDER

28. The transaction contemplated by the RSA originally contemplated, *inter alia*:

- a. Tribalscale will incorporate Newco, which is a subsidiary corporation of Tribalscale, and will look to obtain approval from the Court for a reverse vesting order (“**RVO**”), vesting out of absolutely all the Unsecured Liabilities from Tribalscale to Newco; and
- b. Tribalscale issuing to the unsecured creditors of Newco a promissory note in the amount of the Sirius XM Receivable, less the fees and costs incurred to collect or enforce the Sirius XM Receivable, which promissory note shall be payable on a pro rata basis to unsecured creditors of Newco upon receipt of the Sirius XM Receivable or upon determination or settlement of the claim of the Company against Sirius XM in respect to the Sirius XM Receivable.

29. As noted previously and in the January Affidavit, Tribalscale has modified the Plan to remove the “Newco Note” concept, which provided for the payment of the SiriusXM Receivable by Tribalscale to the General Unsecured Creditors, because Newco will now be directly pursuing the SiriusXM Receivable in the CCAA Proceedings. As noted in the January Affidavit, Tribalscale will fund Newco on an as-needed basis to pursue recovery of the Sirius XM Receivable, however, formal funding arrangements are not in place.

30. Provided the Court approves: (i) the vesting out of all of the Unsecured Liabilities from Tribalscale to Newco; and (ii) the vesting of the Sirius XM Receivable in Newco, Newco’s balance sheet will reflect its only asset as being the Sirius XM Receivable, which has a value of approximately \$671M, and unsecured liabilities of approximately \$3.3 million.

31. As noted in the First Report, based on the estimated realizable value of the Property, but not taking in account Tribalscale's investments¹, and given the extent of Tribalscale's obligation to the Secured Creditors, the costs of realization and potential priority payables, it appears likely that there would be minimal if any, net proceeds of realization available to the Unsecured Creditors in the event of Tribalscale's bankruptcy. Further, the January Affidavit provides a description of the sale and investment solicitation process undertaken by Tribalscale in 2019/2020 and its inability to identify or conclude a transaction that would generate sufficient recovery for its secured creditors. Accordingly, the terms of the Plan, including the RVO contemplated under the Sanction Order, appear fair and reasonable given that the Unsecured Creditors do not appear to have an economic interest in Tribalscale's business.

Section 95-101

32. The Plan now stipulates that sections 95 to 101 of the BIA and any applicable law relating to preferences, settlements, fraudulent conveyances or transactions at undervalue shall not apply in any respect to the Plan. To assess the reasonableness of the inclusion of this provision, the Monitor completed a limited review of Tribalscale's books and records for the purpose of identifying potential preferences and transfers at undervalue, which review included a review of banking activity and payroll activity for the twelve-month period prior to the NOI Filing Date ("**Period of Review**").

33. Subject to payments identified in paragraph 19(d), which payments are outside the Period of Review, the Monitor did not identify any material banking transactions in the Period of Review that are worthy of further consideration.

¹ The Company holds equity positions in five (5) private companies. Tribalscale has provided the Monitor with financial statements and certain other information related to these investments. The balance sheets provided for these companies indicate limited asset value besides from the intangible assets/intellectual property. Given that these are private companies with no market in which to sell the investments, the Monitor notes that it does not possess sufficient information on which to carry out a valuation of these intangibles and intellectual property and/or Tribalscale's interest in these companies. The Monitor is also of the view that such a valuation is beyond the scope of its mandate. Accordingly, in comparing the RSA with a liquidation in bankruptcy, the Monitor has not considered the value these investments may produce, if any, in the event of a liquidation

34. In carrying out its review, the Monitor identified a May 6, 2019 payment in the amount of \$237,000 made to David Wright, a Tribalscale co-founder and former shareholder. Tribalscale advised the Monitor that David Wright, through his counsel, delivered a draft statement of claim against Tribalscale and Sheetal Jaitly seeking to claim amounts arising from David Wright's employment and the termination of his employment with Tribalscale in June 2018. The parties reached an out of court settlement that resulted in Tribalscale making the payment of \$237,000 in exchange for a full and final release related to his employment and the termination of such employment. Tribalscale made the settlement in order to secure the release and avoid significant legal fees. The Monitor is unable to comment on how the consideration paid to David Wright compares to the consideration received by Tribalscale.

XI. CONCLUSION AND RECOMMENDATION

35. Based on the foregoing, the Monitor respectfully recommends that the Court make an order granting the relief detailed in paragraph 11.

All of which is respectfully submitted on this 9th day of January 2021.

MNP LTD.,
in its capacity as Court Appointed Monitor of
Tribalscale Inc.
and not in its personal or corporate capacity

Per:



Sheldon Title
Licensed Insolvency Trustee

**IN THE MATTER OF THE CCAA PROCEEDINGS OF TRIBALSCALE INC.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

**THIRD REPORT TO THE COURT SUBMITTED BY MNP
LTD., IN ITS CAPACITY
AS COURT APPOINTED MONITOR OF
TRIBALSCALE INC.**

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Exhibit “A”

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.)	WEDNESDAY, THE 25TH
)	
JUSTICE KOEHNEN)	DAY OF NOVEMBER, 2020

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF **TRIBALSCALE INC.**

Applicant

MEETING ORDER

THIS MOTION, made by the Applicant pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the "**CCAA**"), for an order, *inter alia*, (a) if necessary, abridging the time for service of the Notice of Motion and the Motion Record and validating service thereof; (b) accepting the filing of a Plan of Compromise and Arrangement of the Applicant, dated November 22, 2020 (the "**Plan**") pursuant to the CCAA, and attached hereto as **Schedule "A"**; (c) authorizing the Applicant to establish two classes of Affected Secured Creditors (as defined below) for the purpose of considering and voting on a resolution to approve the Plan, (d) authorizing the Applicant to call, hold and conduct a meeting (the "**Creditors' Meeting**") of Affected Secured Creditors (as defined in the Plan) to consider and vote on a resolution to approve the Plan; (e) approving the procedures to be followed with respect to the calling and conduct of the Creditors' Meeting; (f) setting the date for the hearing of the Applicant's

motion seeking an order to sanction the Plan (the “**Sanction Order**”), and (g) approving the second report of the MNP LTD. in its capacity as court appointed monitor (“**Monitor**”) (the “**Second Report**”) and the activities as set out therein, was heard this day via Zoom, due to the COVID-19 pandemic.

ON READING the within Notice of Motion, the Affidavit of Sheetal Jaitly, affirmed on November 22, 2020 including the exhibits thereto, the Second Report, and upon hearing the submissions of counsel for the Applicant and counsel for the Monitor, and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service of Christel Paul, affirmed November 23, 2020:

SERVICE

1. **THIS COURT ORDERS** that the time and method for service of the Notice of Motion and the Motion Record herein is hereby validated so that this Motion is properly returnable today and that service thereof upon any interested party other than the persons served with the Motion Record is hereby dispensed with.
2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Meeting Order will have the meanings ascribed to them in the Plan.

PLAN OF COMPROMISE AND ARRANGEMENT

3. **THIS COURT ORDERS** that the Plan is hereby accepted for filing, and the Applicant is hereby authorized to seek approval of the Plan from the Affected Secured Creditors in the manner set forth herein.
4. **THIS COURT ORDERS** that the Applicant, subject to the provisions of the Plan, be and are hereby authorized to make and to file a modification or restatement of, or amendment

or supplement to, the Plan (each a “**Plan Modification**”) prior to or at the Creditors’ Meeting, in which case any such Plan Modification will, for all purposes, be and be deemed to form part of and be incorporated into the Plan.

5. **THIS COURT ORDERS** that notice of such a Plan Modification will be sufficient at or before the Creditors’ Meeting if, prior to or at the Creditors’ Meeting: (a) the Chair (as defined in this Meeting Order) communicates the details of the Plan Modification to Affected Secured Creditors and other persons present at the Creditors’ Meeting prior to any vote being taken at the Creditors’ Meeting; (b) the Applicant provides notice to the Applicant’s CCAA proceeding service list (as amended from time to time, the “**Service List**”) of any such Plan Modification and files a copy thereof with the Court forthwith and in any event prior to the Court hearing the motion seeking the Sanction Order (the “**Sanction Motion**”); and (c) the Monitor posts an electronic copy of the Plan Modification on the Monitor's website, <https://mnpdebt.ca/en/corporate/corporate-engagements/tribalscale-inc> (the “**Website**”) forthwith and in any event prior to the Court hearing the Sanction Motion.
6. **THIS COURT ORDERS** that after the Creditors’ Meeting (and both prior to and subsequent to the obtaining of any Sanction Order), the Applicant may at any time, subject to the provisions of the Plan, effect a Plan Modification: (a) pursuant to an Order of the Court, or (b) without further Court Order, where such Plan Modification concerns a matter which, in the opinion of the Applicant and the Monitor, is of an administrative nature required to better give effect to the implementation of the Plan or the Sanction Order, or to cure any errors, omissions or ambiguities, and in either circumstance is not materially adverse to the financial or economic interests of the Affected Secured Creditors. The

Monitor will forthwith post on the Website any such Plan Modification, with notice of such posting forthwith provided to the Service List.

FORMS OF DOCUMENTS

7. **THIS COURT ORDERS** that the Notice of Creditors' Meeting and Sanction Hearing substantially in the form attached hereto as **Schedule "B"**, the proxy form substantially in the form attached hereto as **Schedule "C"** (the "**Proxy**"), and the form of voting resolution substantially in the form attached hereto as **Schedule "D"** (the "**Plan Resolution**"), are each hereby approved and the Applicant, with the consent of the Monitor, is authorized to make such changes to such forms of documents as it considers necessary or desirable to conform the content thereof to the terms of the Plan or this Meeting Order.

CLASSIFICATION OF CREDITORS

8. **THIS COURT ORDERS** that for the purposes of considering and voting on the Plan, the Affected Secured Creditors will be classified into two classes: (a) one class of creditors (the "**Converting Secured Creditor Class**") consisting of 1924191 Ontario Inc.; and (b) one class of creditors consisting of the Business Development Bank of Canada ("**BDC**") and the "**Paid-Out Secured Creditor Class**").

NOTICE OF CREDITORS' MEETING

9. **THIS COURT ORDERS** that in order to effect notice of the Creditors' Meeting, the Monitor will cause to be sent by e-mail copies of the Notice of Creditors' Meeting and Sanction Hearing, the Meeting Order, the Plan, and the Proxy (together, the "**Voting Package**") as soon as practicable after the granting of this Meeting Order and, in any event, no later than 4:00pm EST on December 8, 2020, to each Affected Secured Creditor.

10. **THIS COURT ORDERS** that the Monitor will forthwith post an electronic copy of the Voting Package (and any amendments made thereto in accordance with paragraph 7 hereof) on the Website.
11. **THIS COURT ORDERS** that the delivery of the Voting Package in the manner set out in paragraph 9 hereof, and the posting of the Voting Package on the Website in accordance with paragraph 10 hereof, will constitute good and sufficient service of this Meeting Order, the Plan, and good and sufficient notice of the Creditors' Meeting on all persons who may be entitled to receive notice thereof in these proceedings or who may wish to be present in person or by Proxy at the Creditors' Meeting, and no other form of notice or service need be made on such persons.
12. **THIS COURT ORDERS** that no later than one business day before the Creditors' Meeting, the Monitor will serve a report regarding the Plan on the Service List and cause such report to be posted on the Website.

CONDUCT AT THE CREDITORS' MEETING

13. **THIS COURT ORDERS** that the Applicant is hereby authorized to call, hold and conduct the meeting of the Affected Secured Creditors via Zoom (or any other videoconferencing service the Monitor, with the consent of the Applicant, deems appropriate) on December 10, 2020 at 4:00pm EST for the purpose of considering and voting on, with or without variation, the Plan Resolution to approve the Plan.
14. **THIS COURT ORDERS** that a representative of the Monitor, designated by the Monitor, will preside as the chair of the Creditors' Meeting (the "**Chair**") and, subject to any further Order of this Court, will decide all matters relating to the conduct of the Creditors' Meeting.

15. **THIS COURT ORDERS** that the Chair is authorized to accept and rely upon Proxies, or such other forms as may be acceptable to the Chair.
16. **THIS COURT ORDERS** that the quorum required at the Creditors' Meeting will be one (1) representative of the Converting Secured Creditor Class; present at such meeting in person or by Proxy.
17. **THIS COURT ORDERS** that the Monitor may appoint scrutineers for the supervision and tabulation of the attendance at, quorum at, and votes cast at the Creditors' Meeting (the "**Scrutineers**"). A Person designated by the Monitor will act as secretary at the Creditors' Meeting (the "**Secretary**").
18. **THIS COURT ORDERS** that if (a) the requisite quorum is not present at the Creditors' Meeting, or (b) the Creditors' Meeting is postponed by the request of the Applicant, then the Creditors' Meeting will be adjourned by the Chair to such time and place as the Chair deems necessary or desirable.
19. **THIS COURT ORDERS** that the Chair, with the consent of the Applicant, is hereby authorized to adjourn, postpone or otherwise reschedule the Creditors' Meeting on one or more occasions to such time(s), date(s) and place(s) as the Chair, with the consent of the Applicant, deems necessary or desirable (without the need to first convene such Creditors' Meeting for the purpose of any adjournment, postponement or other rescheduling thereof). None of the Applicant, the Chair or the Monitor will be required to deliver any notice of the adjournment of the Creditors' Meeting or adjourned Creditors' Meeting, provided that the Monitor will:
 - (a) forthwith post notice of the adjournment on the Website; and

(b) forthwith provide notice of the adjournment to the Service List.

Any Proxies validly delivered in connection with the Creditors' Meeting will be accepted as Proxies in respect of any adjourned Creditors' Meeting.

20. **THIS COURT ORDERS** that the only persons entitled to attend and speak at the Creditors' Meeting are the Affected Secured Creditors (or their respective duly appointed proxyholder), representatives of the Monitor, the Applicant, and all such parties' financial and legal advisors, the Chair, the Secretary and Scrutineers and their respective legal counsel and advisors. Any other person may be admitted to the Creditors' Meeting on invitation of the Applicant or the Chair.

VOTING PROCEDURE AT THE CREDITORS' MEETING

21. **THIS COURT ORDERS** that the Chair and the Monitor be and are hereby authorized to direct a vote by confidential written ballot or by such other means as the Chair or Monitor may consider appropriate, with respect to the Plan Resolution.
22. **THIS COURT ORDERS** that any Proxy for an Affected Secured Creditor must be received by the Monitor by 4:00 pm EST on December 9, 2020, or 24 hours (excluding Saturdays, Sundays and statutory holidays) prior to any adjourned, postponed or rescheduled Creditors' Meeting (the "**Proxy Deadline**").
23. **THIS COURT ORDERS** that, in the absence of instruction to vote for or against the approval of the Plan Resolution in a duly signed and returned Proxy, the Proxy will be deemed to include instructions to vote for the approval of the Plan Resolution, provided the Proxy holder does not otherwise exercise its right to vote at the Creditors' Meeting.

24. **THIS COURT ORDERS** that to the extent that the Monitor is in receipt of more than one Proxy in respect of the same Affected Secured Creditor, the last properly signed and returned Proxy will be deemed to be such Affected Secured Creditor's voting instructions with respect to the Plan Resolution.
25. **THIS COURT ORDERS** that each Affected Secured Creditor will be entitled to one vote equal to the aggregate dollar value of its outstanding debt, which will not include fractional numbers and be rounded down to the nearest whole dollar amount.
26. **THIS COURT ORDERS** that only Affected Secured Creditors will be entitled to vote on the Plan Resolution.

APPROVAL OF THE PLAN

27. **THIS COURT ORDERS** that for the Plan to be approved, the Plan Resolution must receive the affirmative vote of each class of Affected Secured Creditors by the majorities required under section 6(1) of the CCAA.
28. **THIS COURT ORDERS** that BDC shall be deemed to have voted in favour of the Plan such that the required majority vote of the Paid-Out Secured Creditor Class shall have been obtained.
29. **THIS COURT ORDERS** that following the votes at the Creditors' Meeting, the Monitor will tally the votes and determine whether the Plan has been approved in accordance with paragraph 27 hereof.
30. **THIS COURT ORDERS** that the results of and all votes provided at the Creditors Meeting will be binding on all Affected Secured Creditors, whether or not any such Affected Secured Creditor is present or voting at the Creditors' Meeting.

SANCTION HEARING

31. **THIS COURT ORDERS** that in the event the Plan has been approved by the Affected Secured Creditors in accordance with this Meeting Order, the Applicant may bring the Sanction Motion before this Court on December 15, 2020, or such later date as the Applicant or the Monitor may advise the Service List in these proceedings, provided that such later date will be acceptable to the Applicant and the Monitor.
32. **THIS COURT ORDERS** that any person intending to oppose the Sanction Motion will, no later than three (3) calendar days before the Sanction Motion, (a) serve a Notice of Appearance upon the Service List; and (b) serve upon the Service List a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the Sanction Motion.
33. **THIS COURT ORDERS** that if the Sanction Motion is adjourned, only those persons appearing on the Service List as of the date of service will be served with notice of the adjourned date.
34. **THIS COURT ORDERS** that, subject to any further Order of the Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this Meeting Order, the terms, conditions and provisions of the Plan will govern and be paramount, and any such provision of this Meeting Order will be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

MONITOR'S ROLE

35. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA and the Initial Order, is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Meeting Order.
36. **THIS COURT ORDERS** that: (i) in carrying out the terms of this Meeting Order, the Monitor will have all the protections given to it by the CCAA and the Initial Order, and as an officer of the Court, including the stay of proceedings in its favour; (ii) the Monitor will incur no liability or obligation as a result of carrying out the provisions of this Meeting Order, save and except for any gross negligence or wilful misconduct on its part; (iii) the Monitor will be entitled to rely on the books and records of the Applicant and any information provided by the Applicant and any information acquired by the Monitor as a result of carrying out its duties under this Meeting Order without independent investigation; and (iv) the Monitor will not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

APPROVAL OF ACTIVITIES

37. **THIS COURT ORDERS** that the Second Report and the actions, conduct and activities of the Monitor described therein be and are hereby approved.

GENERAL PROVISIONS

38. **THIS COURT ORDERS** that the Applicant and the Monitor will use reasonable discretion as to the adequacy of compliance with respect to the manner in which any forms hereunder are completed and executed and the time in which they are submitted and may

waive strict compliance with the requirements of this Meeting Order including with respect to the completion, execution and time of delivery of required forms.

39. **THIS COURT ORDERS** that the Applicant or the Monitor may, from time to time, apply to this Court to amend, vary, supplement or replace this Meeting Order or for advice and directions concerning the discharge of their respective powers and duties under this Meeting Order or the interpretation or application of this Meeting Order.
40. **THIS COURT ORDERS** that any notice or other communication to be given under this Meeting Order by Affected Secured Creditors to the Monitor or the Applicant will be in writing in substantially the form, if any, provided for in this Meeting Order and will be sufficiently given only if given by prepaid ordinary mail, registered mail, courier, personal delivery or e-mail addressed to:

Weisz Fell Kour LLP
5600-100 King Street West
Toronto, ON M5X 1C9
Attention: Caitlin Fell and Pat Corney
Email: cfell@wfkllaw.ca / pcorney@wfkllaw.ca
Counsel to the Applicant

Borden Ladner Gervais LLP
3400-22 Adelaide St West
Attention: Alex MacFarlane
Toronto, ON M5H 4E3
Email: amacfarlane@blg.com
Counsel to the Monitor

41. **THIS COURT ORDERS** that any notice or other communication delivered under this Meeting Order will be deemed to have been received: (a) if sent by prepaid ordinary mail or registered mail, on the third Business Day after mailing in Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day

after mailing internationally; (b) if sent by courier or personal delivery, on the next Business Day following dispatch; and (c) if delivered by facsimile transmission or email, by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

42. **THIS COURT ORDERS** that if the day on which any notice or communication delivered under this Meeting Order is not a Business Day, then such notice or communication will be required to be delivered on the next Business Day.
43. **THIS COURT ORDERS** that if, during any period during which notices or other communications are being given pursuant to this Meeting Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary or registered mail and then not received will not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or postal work stoppage of general application will only be effective if given by courier, personal delivery or e-mail in accordance with this Meeting Order.
44. **THIS COURT ORDERS** that all references to time in this Meeting Order will mean prevailing local time in Toronto, Ontario and any references to an event occurring on a Business Day will mean prior to 5:00 p.m. on the Business Day unless otherwise indicated.
45. **THIS COURT ORDERS** that references to the singular will include the plural, references to the plural will include the singular and to any gender will include the other gender.
46. **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 Meeting Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Meeting Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Meeting Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Meeting Order.

47. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Meeting Order and for assistance in carrying out the terms of this Meeting Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
48. **THIS COURT ORDERS** that this Meeting Order is effective from the date it is made without any need for entry and filing.

A handwritten signature in blue ink, appearing to be 'DAJ', is written above a horizontal line.

Schedule “A”
Plan of Arrangement

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF TRIBALSCALE INC. (the “**Applicant**”)

PLAN OF COMPROMISE AND ARRANGEMENT
OF THE APPLICANT, TRIBALSCALE INC.,
PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

NOVEMBER 22, 2020

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PLAN OF COMPROMISE AND ARRANGEMENT

RECITALS

WHEREAS Tribalscale Inc. (the “**Applicant**” or “**Tribalscale**”) is a debtor company pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the “**CCAA**”);

AND WHEREAS, on July 31, 2020, the Honourable Madam Justice Gilmore of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an Initial Order pursuant to the provisions of the CCAA and appointed MNP Ltd. as the monitor in these proceedings (the “**Monitor**”);

AND WHEREAS on October 30, 2020, the Court approved a Restructuring Support Agreement between the Applicant and its senior secured creditor, 1924191 Ontario Inc. (“**192**”), which was executed on November 3, 2020 (the “**RSA**”).

AND WHEREAS, on November 25, 2020, the Applicant will seek a Meeting Order (the “**Meeting Order**”) pursuant to which, among other things, the Applicant will be authorized to file a Plan (as defined in Schedule “A” hereto) and authority to convene a meeting of Affected Secured Creditors (as defined herein) to consider and vote on the Plan.

AND WHEREAS the purpose of the Plan is to facilitate the continuation of the business of the Applicant as a going concern, to address certain liabilities of the Applicant, and to effect a recapitalization transaction pursuant to and in accordance with the terms of the RSA on an expedited basis in order to provide a stronger financial foundation for the Applicant going forward, as well as additional liquidity to allow the Applicant to continue to work towards its operational and financial goals from and after the Implementation Date (as defined in Schedule “A”) of the Plan;

NOW THEREFORE the Applicant hereby proposes and presents this Plan pursuant to and in accordance with the provisions of the CCAA.

ARTICLE 1 - INTERPRETATION

1.1 Certain Rules of Interpretation

For the purposes of this Plan:

- (a) In this Plan and the Recitals thereto, unless otherwise stated or the subject matter or context otherwise requires, all terms defined herein have their meanings ascribed thereto on **Schedule “A”**;
- (b) Any reference in this Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means such document shall be substantially in such form or substantially on such terms and conditions;

- (c) Unless otherwise expressly provided herein, any reference in this Plan to an instrument, agreement or an Order or an existing document or exhibit filed or to be filed means such instrument, agreement, Order, document or exhibit as it may have been or may be amended, modified, or supplemented in accordance with its terms;
- (d) The division of this Plan into Articles and Sections is for convenience of reference only and does not affect the construction or interpretation of this 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 this Plan 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. 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;
- (i) Unless otherwise provided, any reference to a statute or other enactment of parliament, a legislature or other Governmental Entity 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;
- (j) References to a specific Recital, Article, or Section shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specific Recital, Article or Section of this Plan, whereas the terms “this Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions shall be deemed to refer generally to this Plan and not to any particular Recital, Article, Section or other portion of this Plan and include any documents supplemental hereto; and
- (k) The word “or” is not exclusive.

1.2 Governing Law

This Plan shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the jurisdiction of the Court.

1.3 Currency

Unless otherwise stated, all references in this Plan to sums of money are expressed in, and all payments provided for herein shall be made in, Canadian dollars.

1.4 Date for Any Action

If the date on which any action is required to be taken hereunder by a Person is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Time

Time shall be of the essence in this Plan.

ARTICLE 2 - PURPOSE AND EFFECT OF THIS PLAN

2.1 Purpose

The purpose of this Plan is to effect a restructuring of the secured indebtedness of the Applicant with the expectation that Persons who have an economic interest in the Applicant, when considered as a whole, will derive a greater benefit from the implementation of this Plan than would result from a bankruptcy of the Applicant.

2.2 Effectiveness

Subject to the satisfaction, completion or waiver of the conditions precedent set out herein, this Plan will become effective in the sequence described in **ARTICLE 7** below from and after the Implementation Date and on the Implementation Date each Affected Secured Claim will be fully and finally compromised, released, settled and discharged under the Plan. The Plan shall be binding on and enure to the benefit of the Applicant, the Affected Secured Creditors, all Existing Equity Holders, all holders of Equity Claims, the Released Parties, and all other Persons as provided for herein, or subject to, this Plan and their respective successors and assigns and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

2.3 Persons Not Affected

This Plan does not affect Unaffected Creditors to the extent of their Unaffected Claims. Nothing in this Plan shall affect the Applicant's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims. Nothing herein shall constitute a waiver of any rights of any of the Applicants to dispute the quantum or validity of an Unaffected Claim.

ARTICLE 3 - CLASSIFICATION, VOTING CLAIMS AND RELATED MATTERS

3.1 Classes

For the purposes of considering, voting on, and receiving distributions under this Plan, the Affected Secured Creditors shall constitute two classes, as follows:

- (a) one class of Creditors consisting of 192 (the **"Converting Secured Creditor Class"**); and
- (b) one class of Creditors consisting of BDC (the **"Paid-Out Secured Creditor Class"**).

3.2 Guarantees

No Person who has a Claim under a guarantee in respect of any Claim which is compromised or otherwise dealt with under the Plan (a **"Principal Claim"**) or who has any right to or claim over in respect of or to be subrogated to the rights of any Person in respect of a Principal Claim, shall: (a) be entitled to any greater rights as against the Applicant than the Person holding the Principal Claim; (b) be entitled to vote on this Plan to the extent that the Person holding the Principal Claim is voting on this Plan; or (c) be entitled to receive any distribution under this Plan to the extent that the Person holding the Principal Claim is receiving a distribution.

3.3 Claims of Affected Secured Creditors

Except as otherwise provided in the Meeting Order, Affected Secured Creditors shall be entitled to vote their Proven Claims at the Creditors' Meetings in respect of this Plan and shall be entitled to receive distributions on account of their Proven Claims as provided under and pursuant to this Plan.

3.4 Creditors' Meeting

- (a) The Creditors' Meeting shall be held in accordance with this Plan, the Meeting Order, and any further Order in the CCAA Proceedings.
- (b) If this Plan is approved by the Required Majorities in each voting class, then this Plan shall be deemed to have been agreed to, accepted and approved by the Affected Secured Creditors and shall be binding upon all Affected Secured Creditors immediately upon the delivery of the Monitor's Certificate.

3.5 Existing Equity Holders and Holders of Equity Claims

Existing Equity Holders and holders of Equity Claims shall not be entitled to attend or vote in respect of their Existing Shares, Existing Share Options or Equity Claims any meeting to consider and approve this Plan and shall not receive any distribution under the Plan on account of their Existing Shares, Existing Share Options or Equity Claims.

3.6 Crown Claims

All federal and provincial government claims of the kind described in subsection 6(3) of the CCAA that were outstanding at the Filing Date shall be paid in full within six months after the Sanction Order, as required by subsection 6(3) of the CCAA.

3.7 Payments to Employees

If not already paid, then immediately after the date of the Sanction Order, the Applicant will pay in full all employee-related payments required by subsection 6(5) of the CCAA.

3.8 Determination of Affected Secured Claims

For the purposes of rights, entitlements and distributions under this Plan, the amount of an Affected Secured Claim shall be determined on the basis of the principal amount outstanding as of the Filing Date plus any accrued interest up to the Implementation Date.

ARTICLE 4 - TREATMENT OF CLAIMS

4.1 Treatment of Converting Creditor Class

- (a) On the Implementation Date and in accordance with the steps and sequence set forth in this Plan, the Converting Creditor shall be entitled to receive in exchange for all of its right, title and interest in and to the Affected Secured Claim, a distribution of:
 - (i). New Common Shares representing ninety percent (90%) of the total issued and outstanding shares in the capital of the Applicant; and

- (ii). the New Senior Secured Note.
- (b) The Converting Creditor shall assign such number of New Common Shares that it holds in the capital of the Applicant to The Bank of Nova Scotia (“**Scotiabank**”) such that Scotiabank will hold New Common Shares in the Applicant equivalent to five percent (5%) of the total issued and outstanding shares in the capital of the Applicant.
- (c) On the Implementation Date, each of the Converting Creditor and Scotiabank shall become a party to a unanimous shareholders agreement (the “**Shareholders Agreement**”), each in its capacity as a holder of New Common Shares and (ii) the constating documents of Applicant shall contain the terms in respect to the New Common Shares which shall apply to each of the Converting Creditor, Scotiabank and Jaitly in their capacity as a holder of New Common Shares.

4.2 Treatment of the Paid-Out Secured Creditor Class

On the Implementation Date and in accordance with the steps and sequence set forth in this Plan, the Paid-Out Secured Class shall be entitled to receive in full satisfaction of its right, title and interest in and to its Affected Secured Claim, a cash distribution in the amount of C\$115,300.

4.3 Equity Claims

All Equity Claims, and all Claims that are based on or related to Equity Claims, shall and shall be deemed to be fully, finally and irrevocably and forever compromised, released, discharged, settled, extinguished, cancelled and barred on the Implementation Date. Holders of Equity Claims shall not receive any consideration or distributions under this Plan and shall not be entitled to vote on this Plan at the Creditors’ Meeting.

4.4 Calculation and Quantum of Claims

For the purposes of all distributions under this Plan, all Affected Secured Claims shall be calculated and quantified as of the Filing Date, which shall be deemed to mean as of 12:01 am on May 19, 2020. To the extent that interest or other amounts accrue as part of any Affected Secured Claim, such interest or other amounts shall be calculated up to and including the Implementation Date.

4.5 Extinguishment of Claims

On the Implementation Date, in accordance with this Plan and the provisions of the Sanction Order, the treatment of the Affected Secured Creditors in respect to their Affected Secured Claims shall be final and binding on Tribalscale, all Affected Secured Creditors (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns), and any Person holding a Released Claim. 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 Secured Claims and the Released Claims, as applicable.

ARTICLE 5 - REORGANIZED EQUITY OF TRIBALSCALE

5.1 Amended Articles

In accordance with the Plan, the Amended Articles shall be received for deposit at the records office of Tribalscale, with the effect as of the time of the Implementation specified in Section 7.1 of the Plan.

5.2 Converting Creditor Shares

The Converting Creditor Shares shall be distributed to the Converting Creditor in accordance with the Plan.

5.3 Remaining Shares

- (a) The Converting Creditor shall assign to Scotiabank such number of New Common Shares held by the Converting Creditor as is equivalent to five percent (5%) the total issued and outstanding shares in the capital of the Applicant.
- (b) In consideration of Jaitly's continuing ongoing involvement with the Applicant, Jaitly shall be issued New Common Shares equal to 10% of the total issued New Common Shares.

ARTICLE 6- CONDITIONS PRECEDENT TO IMPLEMENTATION OF THE PLAN

6.1 Pre-Implementation Date Conditions

- (a) The Plan is subject to the satisfaction of the following conditions (the "**Plan Implementation Conditions**"):
 - (i). the Plan must be approved by the Required Majority of the Affected Secured Creditors of the Applicants;

- (ii). the Sanction Order and the Reverse Vesting Order must be granted by the Court, consistent with the terms of Section 10.1;
 - (iii). the existing shareholders agreement of Tribalscale dated December 8, 2015, as amended shall be deemed to be terminated pursuant to the Sanction Order;
 - (iv). Tribalscale shall file articles of amendment to: (i) restate the rights, privileges, restrictions and conditions attaching to the Common Shares;
 - (v). all applicable appeal periods in respect of the Sanction Order and the Reserve Vesting Order will have expired and any appeals therefrom will have been finally disposed of by the applicable appellant tribunal;
 - (vi). all relevant Persons will have executed, delivered and filed all documents and other instruments that, in the opinion of the Applicants and the Monitor, are necessary to implement the provisions of the Plan, the Sanction Order or the Reverse Vesting Order;
 - (vii). no action or proceeding will be pending by any third party to enjoin or prohibit the Plan; and
 - (viii). Such other conditions precedent listed in Article 6 of the RSA but not described in this **ARTICLE 6**, which conditions may be dispensed with or varied with the mutual consent of the Applicant and the Converting Creditor.
- (b) Upon satisfaction of the Implementation Conditions, the Applicant will proceed to implement the Plan. In consultation with the Monitor, the Applicant will designate the Implementation Date and will implement the Plan on that date in accordance with the terms and conditions hereof.

ARTICLE 7 - IMPLEMENTATION DATE TRANSACTIONS

7.1 Implementation Date Events

Commencing on the Implementation Date, the following events or actions will occur, or be deemed to have occurred and be taken and at such other times, intervals, or order as the Applicant and the Monitor may agree, without any further act or formality required on the part of any Person, except as may be expressly provided herein:

- (a) the following shall occur concurrently (collectively, the “**Share Consolidation**”):
 - (i). all Existing Shares shall be cancelled and shall be deemed to be cancelled without payment of any consideration therefor;

- (ii). the Existing Share Options shall be cancelled and shall be deemed to be cancelled without any repayment of capital thereof or compensation therefor and shall cease to be of any further force or effect;
 - (iii). any existing agreements among the Existing Equity Holders with respect to their Existing Shares or Existing Share Options shall and shall be deemed to be cancelled and terminated; and
 - (iv). all Equity Claims, including indemnity claims of Directors or Officers that are based on or related to Equity Claims, shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any repayment of capital thereof or compensation therefor;
- (b) the Applicant shall, where necessary, file and deposit amended articles of incorporation (the “**Amended Articles**”) at the records office of Tribalscale, which Amended Articles shall do all such things as are necessary to consummate or confirm the transactions provided for in this Plan, to accomplish the purpose of this Plan, or to assure to the affected parties the benefits of this Plan;
- (c) in exchange for, and in full and final settlement of the claims of 192, the Applicant shall issue new common shares in the capital of the Applicant (“**New Common Shares**”) to 192, in the proportions stipulated under Section 4.1 herein. No fractional New Common Shares shall be issued under this Plan;
- (d) the Applicant shall issue New Common Shares to Scotiabank, in the proportions stipulated under Section 4.1 herein;
- (e) all New Common Shares issued as part of the implementation of this Plan shall be deemed to be issued and outstanding as fully-paid and non-assessable;
- (f) in exchange for, and in full and final settlement of the claims of BDC, the Applicant shall make a one-time cash payment in accordance with Section 4.2 herein;
- (g) any right of indemnity or contribution of a Director, Officer or employee against the Applicant of any nature whatsoever (whether pursuant to a written contract or agreement or otherwise, and whether present or future or known or unknown) shall be fully, finally, irrevocably and forever terminated, extinguished, compromised, released, discharged, cancelled and barred without any liability, payment or other compensation in respect thereof and each Director, Officer or employee shall be permanently barred, estopped, stayed and enjoined, on and after the Implementation Date, from asserting any such right of indemnity or contribution against the Applicant;
- (h) Tribalscale shall distribute the New Common Shares in accordance with this Plan;

- (i) the following shall occur concurrently:
 - (i). the Reverse Vesting Order shall become effective and all claims of the General Unsecured Creditors shall be transferred to Newco;
 - (ii). the Applicant shall issue the Newco Note to 192;
- (j) Newco shall be added as an applicant in the CCAA Proceeding; and
- (k) the releases and injunctions referred to under **ARTICLE 10** shall become effective.

7.2 Amended Articles

In accordance this Plan, the Amended Articles shall be received for deposit at the records office of Tribalscale, with effect as of the time on the Implementation Date specified in Section 7.1 of this Plan.

7.3 Administration Charge

On the Implementation Date, all outstanding, invoiced obligations, liabilities, fees and disbursements secured by the Administration Charge shall be fully paid by the Applicant. Upon receipt by the Monitor of confirmation from each of the beneficiaries of the Administration Charge that payments of the amounts secured by the Administration Charge have been made, the Administration Charge shall be and be deemed to be discharged from the assets of the Applicant, without the need for any other formality; provided however that this Section shall not apply to the Monitor and its legal counsel in respect of any acts or steps required to be taken by the Monitor or its counsel after the Implementation Date and, for greater certainty, the Monitor and its legal counsel shall continue to have the benefit of the Administration Charge so long as (i) the Monitor has not been discharged from its duties as Monitor in these CCAA Proceedings, and (ii) any fees and disbursements of the Monitor or its counsel (including fees and disbursements incurred after the Implementation Date) remain unpaid by the Applicant.

Notwithstanding Plan Implementation or the reduction of the Administration Charge, Tribalscale shall continue to pay the reasonable costs, fees and disbursements incurred by its counsel, Weisz Fell Kour LLP (“**WFK**”), whether incurred prior to or after the Implementation Date, where such costs, fees and disbursements relate to the implementation of this Plan or any of the transactions contemplated herein.

7.4 Monitor’s Certificate of Plan Implementation

Upon written notice from the Applicant (or counsel on their behalf) to the Monitor and the Supporting Creditor that the conditions to Plan implementation set out in Section 6.1 have been satisfied or waived, the Monitor shall, as soon as possible following receipt of such written notice, deliver to the Applicant and the Supporting Creditor, as well as file with the Court, a certificate (the “**Monitor’s Certificate**”) which states that all conditions precedent set out in **ARTICLE 6** have been satisfied or waived and that the Implementation Date (which shall be set out on the certificate) has occurred.

7.5 No Exercise of Right or Remedy

Subject to the performance by the Applicant of its obligations under the Plan, and except as provided in the Plan, all obligations, agreements, contracts or arrangements to which the Applicant is a party on the Implementation Date shall be and remain in full force and effect, unamended, as at the Implementation Date and no Person, including any party thereto, shall on or following the Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform, cancel or otherwise disclaim or resiliate its obligations or the Applicant’s interests thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy (including any right to receive any change of control, assignment or similar payment) under or in respect thereof by reason:

- (a) of any event that occurred prior to the Implementation Date;
- (b) that the Applicant is or was insolvent, or that the Applicant sought or obtained relief or took steps as part of the Plan or during the CCAA Proceeding and the preceding NOI Proceeding;
- (c) of any default, event of default or circumstance of non-compliance arising as a result of the financial condition or insolvency of the Applicant, the CCAA Proceeding or the NOI Proceeding;
- (d) of the effect upon the Applicant of the completion of any of the transactions approved in the CCAA Proceeding or the NOI Proceeding, or contemplated by the Plan, including, without limitation, as a result of a change of control of the Applicant; or
- (e) of any compromises, settlements, restructurings, recapitalizations or reorganizations effected pursuant to the Plan.

ARTICLE 8 - CONSTITUTION OF NEWCO

8.1 Incorporation

Newco will be incorporated as a private company under the laws of Ontario, organized in a manner acceptable to 192 and the Applicant, acting reasonably.

8.2 Newco Further Assurances

Newco shall agree to do all such things in its control, take all such actions as are commercially reasonable, deliver to the other Parties such further information and documents and execute and deliver to the other Parties such further instruments and agreements as another Party shall reasonably request to consummate or confirm the transactions provided for in this Plan, to accomplish the purpose of this Plan or to assure to the other Party the benefits of this Plan.

ARTICLE 9 - DISTRIBUTIONS AND DISBURSEMENTS

9.1 Delivery of New Common Share Certificates

The obligations of Tribalscale shall to deliver New Common Shares pursuant to this Plan shall be satisfied by the delivery of share certificates representing the New Common Shares to each of 192 and Scotiabank on the Implementation Date in accordance with Section 4.1.

9.2 Delivery of Payment to BDC

On the Implementation Date Tribalscale shall distribute, by electronic wire transfer, a one-time cash payment to BDC in accordance with Section 4.2 herein.

9.3 Delivery of the Newco Note

On the Implementation Date and in accordance with this Plan, Tribalscale will unconditionally and irrevocably issue the Newco Note to Newco in the amount of the receivable owing to Tribalscale by SiriusXM less the legal fees and costs incurred to collect or enforce on such receivable, which promissory note shall be payable on a *pro rata* basis to the General Unsecured Creditors upon receipt of the Sirius Proceeds.

ARTICLE 10 - RELEASES

10.1 Plan Releases

At the Implementation Date, the Applicant, the Applicant's present and former employees, the Directors and Officers and each of their respective financial advisors, legal counsel and agents (collectively, the "**Released Parties**") shall be released and discharged from any and all rights and claims of any holder of an Affected Secured Claim, whether or not any such right or Claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, where such right or Claim is based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, or after the Implementation Date in furtherance of the Plan and that is in any way relating to, arising out of or in connection with (i) Affected Secured Claims; (ii) RSA, (iii) Equity Claims; (iv) Existing Shares; (v) Existing Share Options; (vi) this Plan; (vii) the CCAA Proceedings; and (viii) the NOI Proceedings, provided, however, that nothing in this Section will release or discharge:

- (a) any Unaffected Claim;
- (b) Tribalscale of or from its obligations under this Plan, under any Order, or under any document delivered by Tribalscale on the Implementation Date pursuant to this Plan;
- (c) Newco from its obligations under this Plan, under any Order, or under any document delivered by Newco on the Implementation Date pursuant to this Plan; or
- (d) a Released Party if the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud, gross negligence or wilful misconduct.

10.2 Cancellation of Outstanding Indebtedness

From and after the Implementation Date, any loan documents, debentures or other evidences of indebtedness in relation to any Affected Secured Creditors shall be cancelled and will thereupon be null and void, and the obligations of the Applicant thereunder or in any way related thereto shall be satisfied and discharged, except to the extent expressly preserved by this Plan. For further clarity, the Newco Note is explicitly excluded from this Section and is intended to survive this Plan.

10.3 Injunction

Subject to the exceptions stated in sub-paragraphs (a) through (d) of Section 10.1 of this Plan, all Persons, along with their respective affiliates, present and former officers, directors, employees, associated individuals, auditors, beneficiaries, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitors, agents, dependents, heirs, executors, administrators, representatives, successors and assigns, as applicable, are permanently and forever barred, estopped, stayed and enjoined, on and after the Implementation Date, with respect to the Affected Claims and the Released Claims, from:

- (a) commencing, conducting or continuing in any manner, directly or indirectly, any action, suit, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative, regulatory or other forum) against any of the Released Parties or their property;
- (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property;
- (c) commencing, conducting or continuing in any manner, directly or indirectly, any action, suit or demand (including 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 proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative, regulatory 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;
- (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind; or
- (e) taking any action to interfere with the implementation or consummation of this Plan (including the Implementation Date Transactions);

and any such proceedings will be deemed to have no further effect against the Applicant or any of their assets and will be released, discharged or vacated without cost to the Applicant. All Persons shall cooperate with the Applicant and the Monitor in lifting any lien or discontinuing any proceeding filed or commenced prior to the Implementation Date, as the Applicant or the Monitor may reasonably request. The Applicant may apply to the Court to obtain a discharge or dismissal of any such proceedings, if necessary, without notice to any Person.

10.4 Timing of Releases and Injunctions

All releases and injunctions set forth in this **ARTICLE 10** shall become effective on the Implementation Date.

10.5 Knowledge of Claims

Each Person to which Section 10.1 hereof applies shall be deemed to have granted the releases set forth in Section 10.1 notwithstanding that it may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such party expressly waives any and all rights that it may have under any Applicable Law which would limit the effect of such releases to those Claims or causes of action known or suspected to exist at the time of the granting of the release.

ARTICLE 11 - GENERAL

11.1 Deeming Provisions

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

11.2 Claims Bar

Nothing in this Plan extends or shall be interpreted as extending, amending, or giving any rights to any Person in respect of Claims that have been barred or extinguished.

11.3 Non-Consummation

If the Implementation Date does not occur on or before the Outside Date (as the same may be extended in accordance with the terms hereof), or if this Plan is otherwise withdrawn in accordance with its terms: (a) this Plan shall be null and void in all respects, and (b) nothing contained in this Plan, and no acts taken in preparation for consummation of this Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Applicant, its respective successors or any other Person; (ii) prejudice in any manner the rights of the Applicant, its respective successors or any other Person in any further proceedings involving the Applicant or its respective successors; or (iii) constitute an admission of any sort by the Applicant, its respective successors or any other Person.

11.4 Modification of Plan

- (a) The Applicant may propose a variation or modification of, or amendment or supplement to this Plan at or prior to the Creditors' Meetings, in consultation with the Monitor, provided that notice of such variation, modification, amendment or supplement is given to all Creditors entitled to vote and present in person at the applicable Creditors' Meetings prior to the vote being taken. Any variation, amendment, modification or supplement at a Creditors' Meetings shall be posted

promptly on the Monitor's Website, served by email to the Service List and filed with the Court as soon as practicable following the applicable Creditors' Meetings and in any event prior to the Court hearing the Sanction Motion.

- (b) After the Creditors' Meetings (and both prior to and subsequent to the obtaining of any Sanction Order), the Applicant may at any time and from time to time, amend, restate, vary, modify or supplement this Plan: (a) pursuant to an Order of the Court, or (b) without further Court Order, where such amendment to this Plan concerns a matter which, in the opinion of the Applicant and the Monitor, is of an administrative nature required to better give effect to the implementation of this Plan or the Sanction Order or to cure any errors, omissions or ambiguities, and in either circumstance is not materially adverse to the financial or economic interests of the Affected Secured Creditors. The Monitor shall forthwith post on the Monitor's Website any such amendment to this Plan, with notice of such posting forthwith provided to the Service List.

11.5 Severability of Plan Provisions

If, prior to the Implementation Date, any term or provision of this Plan is held by the Court to be invalid, void or unenforceable, at the request of the Applicant with the consent of the Supporting Creditor, the Court shall have the power to either:

- (a) sever such term or provision from the balance of this Plan and provide the Applicant with the option to proceed with the implementation of the balance of this Plan as of and with effect from the 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 this Plan is implemented, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

11.6 Preservation of Rights of Action

Except as otherwise provided in this Plan or in the Sanction Order, or in any contract, instrument, release, indenture or other agreement entered into in connection with this Plan, following the Implementation Date, the Applicant will retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all claims, rights or causes of action, suits and proceedings, whether in law or in equity, whether known or unknown, that the Applicant may hold against any Person or entity without further approval of the Court.

11.7 Responsibilities of Monitor

The Monitor is acting and will continue to act in all respects in its capacity as Monitor in the CCAA Proceedings with respect to the Applicant and not in its personal or corporate capacity, and shall have no liability in connection with the implementation of this Plan, including without limitation with respect to making distributions pursuant to and in accordance with this Plan, or the timing or sequence of this Plan's transaction steps, in each case save and except for gross negligence and wilful misconduct. The Monitor will incur no personal liability whatsoever whether on its own part or in respect of any failure on the part of the Applicant to observe, perform or comply with any of its obligations under this Plan. The Monitor shall not be responsible or liable whatsoever for any obligations of the Applicant. The Monitor shall at all times have the powers and protections granted to it by this Plan, the CCAA, the Initial Order, and any other Order made in the CCAA Proceedings.

11.8 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 a Person in writing or unless its Claims overlap or are otherwise duplicative.

11.9 Notices

Any notice or other communication to be delivered hereunder must be in writing and refer to this Plan and may, as hereinafter provided, be made or given by personal delivery, ordinary mail, email or by facsimile addressed to each of the respective parties as follows:

(a) If to the Applicant:

TribalScale Inc.
420 - 207 Queens Quay West
Toronto, ON M5J 1A7

Attention: Mr. Sheetal Jaitly
Chief Executive Officer
Email: sheetal@tribalscale.com

with a copy by email or fax (which shall not be deemed notice) to:

Weisz Fell Kour LLP
5600-100 King Street West
Toronto, ON M5X 1C9

Attention: Caitlin Fell
Partner
Email: cfell@wfklaw.ca

Fax: 416-613-8290

(b) If to the Monitor:

MNP Ltd.

300 – 111 Richmond Street West
Toronto, ON M5H 2G4

Attention: Mr. Sheldon Title
Senior Vice-President

Email: Sheldon.Title@mnp.ca
Fax: 416.323.5240

with a copy by email or fax (which shall not be deemed notice) to:

Borden Ladner Gervais LLP

East Tower Bay Adelaide Centre
22 Adelaide St. W. Suite 3400
Toronto, ON M5H 4E3

Attention: Alex MacFarlane

Email: AMacFarlane@blg.com
Fax: 416.367.6749

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 emailing, provided that such day in either event is a Business Day and the communication is so delivered, faxed or emailed before 5:00 p.m. EST 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.

11.10 Paramountcy

- (a) From and after the Implementation Date, any conflict between (i) this Plan and (ii) 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 any Person and the Applicant as at the Implementation Date, will be deemed to be governed by the terms, conditions and provisions of this Plan and the Sanction Order, which shall take precedence and priority.

- (b) From and after the granting of the Sanction Order, any conflict between (i) this Plan and (ii) the Sanction Order, will be deemed to be governed by the terms, conditions and provisions of the Sanction Order, which shall take precedence and priority.

11.11 Further Assurances

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan without any further act or formality, each of the Persons named or referred to in, or subject to, this Plan will make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them to carry out the full intent and meaning of this Plan and to give effect to the transactions contemplated herein.

DATED this 22nd day of November, 2020.

SCHEDULE “A”
Definitions

“**192**” has the meaning given to that term in the recitals;

“**Administration Charge**” has the meaning given to that term in the Initial Order;

“**Affected Secured Claim**” means the Claims of: (i) 192 in the amount equal to C\$2,648,000 and (ii) BDC in the amount equal to C\$115,300.

“**Affected Secured Creditor**” means the holder of an Affected Secured Claim in respect, and to the extent of, such Affected Secured Claim;

“**Amended Articles**” have the meaning ascribed to that term in Section 7.1(b);

“**Applicable Law**” means, with respect to any Person, property, transaction, event or other matter, any Law relating or applicable to such Person, property, transaction, event or other matter, including, where appropriate, any interpretation of the Law (or any part thereof) by any Person, court or tribunal having jurisdiction over it, or charged with its administration or interpretation;

“**Applicant**” has the meaning given to that term in the recitals;

“**BDC**” means the Business Development Bank of Canada;

“**BIA**” means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended;

“**Business Day**” means any day, other than a Saturday, or a Sunday or a statutory or civic holiday, on which banks are generally open for business in Toronto, Ontario;

“**Cash**” means cash, certificates of deposit, bank deposits, and other cash equivalents;

“**CCAA**” has the meaning set out in the recitals;

“**CCAA Proceedings**” means the proceedings commenced by the Applicant under the CCAA as contemplated by the Initial Order;

“**Charges**” has the meaning ascribed to that term in the Initial Order;

“Claim” any right of any Person with indebtedness, liability or obligation of any kind against the Applicant which indebtedness, liability or obligation is in existence at the Filing Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by surety or otherwise and whether or not such a right is executory in nature including, without limitation, the right or ability of any Person to advance a Claim for contribution or indemnity or otherwise with respect to any matter, action, cause, chose in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or at the Filing Date.

“Converting Creditor” means 192;

“Converting Creditor Shares” means New Common Shares representing ninety percent (90%) of the total issued and outstanding shares in the capital of the Applicant;

“Converting Secured Creditor Class” has the meaning given to that term in Section 3.1(a);

“Court” has the meaning given to that term in the recitals;

“Creditor” means any Person having a Claim and includes, without limitation, the transferee or assignee of a Claim or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person;

“Creditors’ Meeting” means the meeting of the Affected Secured Creditors called for the purpose of considering and voting upon this Plan;

“Crown” means Her Majesty in right of Canada or a province of Canada;

“Crown Priority Claim” means any Claim of the Crown, for all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under:

- (a) subsection 224(1.2) of the ITA;
- (b) any provision of the Canada Pension Plan or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the ITA and provides for the collection of a contribution, as defined in the Canada Pension Plan, an employee’s premium, or employer’s premium, as defined in the *Employment Insurance Act*, or a premium under Part VII.1 of the *Employment Insurance Act* and of any related interest, penalties or other amounts;
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, 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 ITA; 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;

“**Director**” means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or de facto director of the Applicant;

“**Employee Priority Claims**” means, with respect to Creditors who are or were employees of the Applicant the following claims:

- (a) Claims of the Applicant’s employees and former employees equal to the amounts that such employees and former employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Applicant had become bankrupt on the Filing Date; and
- (b) Claims of the Applicants’ employees and former employees for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the date of the Sanction Order, together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the Applicant’s business during the same period.

“**Equity Claim**” has the meaning set forth in section 2(1) of the CCAA;

“**Existing Equity Holder**” means a Person with an equity interest in the Applicant as at the Filing Date;

“**Existing Shares**” mean shares, of any kind, in the equity of the Applicant as at the Filing Date;

“**Existing Share Options**” mean share options, of any kind, applicable to the equity of the Applicant;

“**Filing Date**” means May 19, 2020, the date the Applicant’s proposal proceedings commenced under Part III of the BIA;

“**General Unsecured Claim**” means any Claim other than a Converting Creditor Claim;

“**General Unsecured Creditor**” means the holder of a General Unsecured Claim in respect of and to the extent of such General Unsecured Claim;

“**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;

“Implementation Date” means the Business Day on which this Plan becomes effective, which shall be the day indicated on the certificate which the Monitor shall file with the Court as contemplated herein;

“Implementation Date Transactions” means, collectively, the transactions contemplated under Section 7.1 herein;

“Initial Order” means the Order of the Honourable Madam Justice Gilmore of the Ontario Superior Court of Justice (Commercial List), dated July 31, 2020, which declared Tribalscale a company to which the CCAA applies;

“ITA” means the *Income Tax Act*, RSC 1985, c.1 (5th Supp), as amended, and any regulations thereunder;

“Jaitly” means Sheetal Jaitly, in his capacity as chief executive officer of the Applicant;

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

“Meeting Order” has the meaning given to that term in the recitals;

“Monitor” means MNP Ltd., in its capacity as court-appointed Monitor of the Applicant;

“Monitor’s Certificate” has the meaning ascribed to that term in Section 7.4 hereof;

“Monitor’s Website” means <<https://mnpdebt.ca/en/corporate/engagements/tribalscale-inc>>;

“New Senior Secured Note” means a secured promissory note issued by the Applicant to the Converting Creditor in the principal amount of \$1,400,000 with interest accruing annually beginning on a date that is one year from the Implementation Date at a rate of 2% per annum, which promissory note shall be effective from and after the Implementation Date;

“Newco” means a new company incorporated by the Applicant as a private company under the Provincial laws of Ontario in accordance with this Plan;

“Newco Note” has the meaning ascribed to that term under Section 9.3 hereof;

“New Common Shares” refers to new common shares in the capital of the Applicant issued or to be issued to the Converting Creditor in exchange for, and in full and final settlement of its Claims, in accordance with this Plan;

“NOI Proceedings” means the proceedings commenced by Tribalscale by the filing of a Notice of Intention to Make a Proposal under BIA;

“Officer” means anyone who is or was, or may be deemed to be or have been, whether by

statute, operation of law or otherwise, an officer or *de facto* officer of the Applicant;

“Order” means any order of the Court in these CCAA Proceedings or the proposal proceedings under the BIA referenced in the Initial Order;

“Outside Date” means December 3, 2020 (or such other date as the Applicant, the Monitor and the Supporting Creditor may agree);

“Paid-Out Secured Creditor Class” has the meaning provided to it in Section 3.1(b);

“Person(s)” is to be broadly interpreted and includes any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, Governmental Entity or any agency, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status;

“Plan” means this Plan of Compromise and Arrangement, including any amendments, restatements, modifications or supplements hereto made from time to time in accordance with the terms hereof or made at the direction of the Court in the Sanction Order or otherwise;

“Priority Claim” means a Crown Priority Claim or an Employee Priority Claim;

“Proven Claim” as used in relation to any Claim means such Claim as finally accepted or determined by the Monitor and each Affected Secured Claim shall constitute a Proven Claim;

“Recitals” mean those Recitals stated on the first page of this Plan;

“Released Claims” means the matters that are subject to release and discharge pursuant to Section 10.1 hereof;

“Released Parties” has the meaning ascribed to that term in Section 10.1 hereof;

“Released Party” means each of the Released Parties;

“Required Majority” means a majority in number of Affected Secured Creditors within a class representing at least two thirds in value of the Voting Claims of such Creditors who actually vote (in person or by proxy) at the Creditors’ Meeting;

“RSA” has the meaning given to that term in the recitals;

“Sanction Motion” means the Applicant’s motion for an order sanctioning this Plan and granting the Reverse Vesting Order;

“Sanction Order” means an order acceptable in form and substance to the Applicant, the Monitor, and the Supporting Creditor sanctioning the Plan and the transactions contemplated therein;

“Scotiabank” means The Bank of Nova Scotia;

“Shareholders Agreement” has the meaning ascribed to that term in Section 4.1(c), which agreement shall be in form and substance satisfactory to 192;

“Service List” means the service list maintained by the Monitor in respect of these CCAA Proceedings;

“Sirius Proceeds” mean the proceeds of a receivable owing by SiriusXM to the Applicant, including such proceeds received in respect of a settlement or determination of the claim of the Applicant against SiriusXM;

“SiriusXM” means Sirius XM Connected Vehicle Services Inc. and its affiliates.

“Support Agreement” has the meaning provided to it in the recitals;

“Supporting Creditor” means 192 pursuant to and in accordance with the Support Agreement;

“Tax” or **“Taxes”** means any and all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever, including all interest, penalties, fines, additions to tax or other additional amounts in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, 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, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Quebec and other government pension plan premiums or contributions;

“Taxing Authority” means any of Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power;

“Tribalscale” has the meaning given in the recitals;

“Unaffected Claim” means:

- (a) any Claims secured by any of the Charges;
- (b) any Claims that cannot be compromised pursuant to subsection 19(2) of the CCAA;
- (c) any Priority Claims;
- (d) any Claims vested out pursuant to the Reverse Vesting Order; and
- (e) the Unaffected Trade Obligations

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

“Unaffected Trade Obligations” refer to all trade obligations owed by the Applicant to its suppliers, incurred at any time, which the Applicant will continue to pay notwithstanding anything in this Plan;

“Reverse Vesting Order” means an Order of the Court permitting the transferring and vesting out absolutely, without formal legal conveyance, all claims of General Unsecured Creditors to Newco, as contemplated under this Plan and in the Reverse Vesting Order;

“Voting Claim” means the amount of an Affected Secured Claim of an Affected Secured Creditor against the Applicant as finally accepted and determined for the purposes of voting at the Creditors’ Meeting, in accordance with this Plan and the CCAA; and

“WFK” means the Applicant’s counsel, Weisz Fell Kour LLP.

Schedule “B”
Notice of Creditor Meeting

NOTICE OF CREDITORS' MEETING AND SANCTION MOTION
IN THE MATTER OF THE PROPOSED PLAN OF COMPROMISE OR
ARRANGEMENT OF TRIBALSCALE INC.

TO: The Affected Secured Creditors of TRIBALSCALE INC. ("**TribalScale**")

NOTICE IS HEREBY GIVEN that a meeting of the Affected Secured Creditors will be held on December 10, 2020 at 4:00 p.m. EST via Zoom due to the COVID-19 pandemic, the details of which can be found at Schedule A to this Notice, for the following purposes:

1. to consider and, if deemed advisable, to pass, with or without variation, a resolution (the "**Resolution**") approving the Plan of Compromise and Arrangement of TribalScale, dated November 22, 2020, pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") (as amended, restated, modified and/or supplemented from time to time in accordance with the terms thereof, the "**Plan**"); and
2. to transact such other business as may properly come before either of the Creditors' Meetings or any adjournment or postponement thereof.

The Creditors' Meetings are being held pursuant to an order (the "**Meeting Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on November 25, 2020.

Capitalized terms used and not otherwise defined in this Notice have the respective meanings given to them in the Plan.

The Plan contemplates the compromise and/or release of claims held by Affected Secured Creditors. Quorum for the Creditors' Meeting has been set by the Meeting Order as the presence, in person or by Proxy, at the meeting of the Affected Secured Creditors of (1) representative of the Converting Secured Creditor Class; present at such meeting in person or by Proxy.

In order for the Plan to be approved and binding in accordance with section 6(1) of the CCAA, each class of Affected Secured Creditors must approve the Resolution by that number of Affected Secured Creditors representing at least a majority in number of Affected Secured Claims, whose claims represent at least two-thirds in value of the Affected Secured Claims of Affected Secured Creditors who validly vote (in person or by Proxy) on the Resolution at the Creditors' Meeting or were deemed to vote on the Resolution as provided for in the Meeting Order (each a **"Required Majority"**). Each Affected Secured Creditor will be entitled to one vote at the Creditors' Meeting equal to the aggregate dollar value of its outstanding debt, which will not include fractional numbers and be rounded down to the nearest whole dollar amount. If approved by each of the Required Majorities, the Plan must also be sanctioned by the Court under the CCAA. Subject to the satisfaction of the other conditions precedent to implementation of the Plan, all Affected Secured Creditors will then receive the treatment set forth in the Plan.

Forms and Proxies for Affected Secured Creditors

An Affected Secured Creditor may attend at the Creditors' Meeting in person or may appoint another person as its proxyholder by inserting their name or the name of such person in the space provided in the form of Proxy provided to Affected Secured Creditors, or by completing another valid form of Proxy.

In order to be effective, Proxies must be received by the Monitor MNP LTD. (Attention: Sheldon Title) via email to Sheldon.Title@mnp.ca prior to the Proxy Deadline. Persons appointed as proxyholders need not be Affected Secured Creditors.

If an Affected Secured Creditor at the Creditors' Meeting (other than those who are deemed to vote in favour of the Plan as set in the Meeting Order) specifies a choice with respect to voting on the Resolution on a Proxy, the Proxy will be voted in accordance with the specification so made. **In absence of such specification, a Proxy will be voted FOR the Resolution provided that the proxyholder does not otherwise exercise its right to vote at the Creditors' Meeting.**

NOTICE IS ALSO HEREBY GIVEN that if the Plan is approved by each of the Required Majorities at the Creditors' Meeting, the Applicant intends to bring a motion before the Court on **December __, 2020 at __ EST**, or such later date as may be posted on the Monitor's website, via Zoom (the details of which can be found at Schedule A hereto). The motion will be seeking the Sanction Order sanctioning the Plan under the CCAA and for ancillary relief consequent upon such sanction. Any Affected Secured Creditor that wishes to appear or be represented, and to present evidence or arguments, at such Court hearing must file with the Court a Notice of Appearance and serve such Notice of Appearance on the Service List at least three (3) calendar days before such Court hearing. Any Affected Secured Creditor that wishes to oppose the relief sought at such Court hearing shall serve on the Service List a notice setting out the basis for such opposition and a copy of the materials to be used at such hearing at least three (3) calendar days before the date set for such hearing, or such shorter time as the Court, by Order, may allow. A copy of the Service List may be obtained from the Monitor's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/tribalscale-inc> (the **"Website"**) together with copies of other materials related to this process.

This Notice is given by the Applicant as of **November __, 2020**.

Schedule “C”**Proxy**

**PROXY AND INSTRUCTIONS
FOR AFFECTED SECURED CREDITORS
IN THE MATTER OF THE PROPOSED
PLAN OF COMPROMISE AND ARRANGEMENT OF
TRIBALSCALE INC.**

MEETING OF AFFECTED SECURED CREDITORS

to be held pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on November 25, 2020 (the “**Meeting Order**”) in connection with the Plan of Compromise and Arrangement of TribalScale Inc. (as amended, restated, modified and/or supplemented from time to time, the “**Plan**”) on December 10, 2020 at 4:00 p.m. EST via Zoom due to the COVID-19 pandemic (the details of which can be found at Schedule A hereto) and at any adjournment, postponement or other rescheduling thereof (the “**Creditors’ Meeting**”)

PLEASE COMPLETE, SIGN AND DATE THIS PROXY AND RETURN IT TO THE MONITOR, MNP LTD., BY 4:00 P.M. EST ON DECEMBER 9, 2020, OR 24 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND STATUTORY HOLIDAYS) PRIOR TO ANY ADJOURNED, POSTPONED OR RESCHEDULED CREDITORS’ MEETING (THE “**PROXY DEADLINE**”). PLEASE RETURN YOUR PROXY SO THAT IT IS ACTUALLY RECEIVED BY THE MONITOR OR THE CHAIR ON OR BEFORE THE PROXY DEADLINE.

Please use this Proxy form if you do not wish to attend the Creditors’ Meeting to vote in person but wish to appoint a proxyholder to attend the Creditors’ Meeting, vote your claim to accept or reject the Plan and otherwise act for and on your behalf at the Creditors’ Meeting and any adjournment(s), postponement(s) or rescheduling(s) thereof.

The Plan is included in the Voting Package delivered to all Affected Secured Creditors, copies of which you have received. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Plan.

You should review the Plan before you vote. In addition, the Meeting Order establishes certain procedures for the conduct of the Creditors’ Meeting, a copy of which is included in the Voting Package. The Meeting Order contains important information regarding the voting process. Please read the Meeting Order and the instructions sent with this Proxy prior to submitting this Proxy.

If the Plan is approved by the Required Majorities, is sanctioned by the Court, and is implemented, it will be binding on you whether or not you vote.

APPOINTMENT OF PROXYHOLDER AND VOTE

By checking one of the two boxes below, the undersigned Affected Secured Creditor hereby revokes all proxies previously given and nominates, constitutes and appoints either (if no box is checked, the Monitor will act as your proxyholder):

☐ _____, or

☐ a representative of MNP LTD. in its capacity as Monitor of TribalScale Inc.

as proxyholder, with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the at the Creditors' Meeting and at adjournment(s), postponement(s) and rescheduling(s) thereof, and to vote the amount of the Affected Secured Creditors' claim. Without limiting the generality of the power hereby conferred, the person named as proxyholder is specifically directed to vote as shown below. The person named as proxyholder is also directed to vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the Plan and to any matters that may come before the Creditors' Meeting or at any adjournment, postponement or rescheduling thereof and to vote the amount of the Affected Secured Creditor's claim as follows (mark only one):

- ☐ Vote **FOR** the approval of the Plan, or
- ☐ Vote **AGAINST** the approval of the Plan

Please note that if no specification is made above, the Affected Secured Creditor will be deemed to have voted FOR approval of the Plan at the Creditors' Meeting provided unless the Affected Secured Creditor otherwise exercises its right to vote at the Creditors' Meeting.

DATED at _____ this _____ day of _____, 2020.

AFFECTED SECURED CREDITOR'S SIGNATURE:

(Print Legal Name of Affected Secured Creditor)

(Print Legal Name of Assignee, if applicable)

(Signature of the Affected Secured Creditor/Assignee or an
Authorized Signing Officer of the Affected Secured
Creditor/Assignee)

(Print Name and Title of Authorized Signing Officer of the Affected
Secured Creditor/Assignee, if applicable)

(Mailing Address of the Affected Secured Creditor/Assignee)

(Telephone Number and E-mail of the Affected Secured
Creditor/Assignee or Authorized Signing Officer of the Affected
Secured Creditor/Assignee)

**YOUR PROXY MUST BE RECEIVED BY THE MONITOR AT THE EMAIL ADDRESS
LISTED BELOW OR BEFORE THE PROXY DEADLINE.**

sheldon.title@mnp.ca

**IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING
PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES
OF THE ENCLOSED MATERIALS, PLEASE CONTACT THE MONITOR AT THE
EMAIL ADDRESS ABOVE OR VISIT THE MONITOR'S WEBSITE AT
<https://mnpdebt.ca/en/corporate/corporate-engagements/tribalscale-inc>**

**INSTRUCTIONS FOR COMPLETION OF PROXY FOR AFFECTED SECURED
CREDITORS**

1. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Plan, a copy of which you have received.
2. The aggregate amount of your Affected Secured Claim in respect of which you are entitled to vote shall be your proven claim.
3. Affected Secured Creditors are entitled to vote at the Creditors' Meeting in respect of their Affected Secured Claims (except the Affected Secured Creditor deemed by the Meeting Order to have voted in favour of the Plan).
4. Check the appropriate box to vote for or against the Plan. **If you do not check either box, you will be deemed to have voted FOR approval of the Plan provided you do not otherwise exercise your right to vote at the Creditors' Meeting.**
5. Each Affected Secured Creditor who has a right to vote at the Creditors' Meeting has the right to appoint a person (who need not be an Affected Secured Creditor) to attend, act and vote for and on behalf of the Affected Secured Creditor and such right may be exercised by inserting in the space provided the name of the person to be appointed, or to select a representative of the Monitor as its proxyholder. If no proxyholder is selected, the Affected Secured Creditor will be deemed to have appointed any officer of MNP LTD., in its capacity as Monitor, or such other person as MNP LTD. may designate, as proxyholder of the Affected Secured Creditor, with power of substitution, to attend on behalf of and act for the Affected Secured Creditor at the Creditors' Meeting to be held in connection with the Plan and at any and all adjournments, postponements or other rescheduling thereof.
6. Please read and follow these instructions carefully. Your completed Proxy must actually be received by the Monitor sheldon.title@mnp.ca prior to 4:00 pm EST on December 9, 2020 or 24 hours (excluding Saturdays, Sundays and statutory holidays) which is the Proxy Deadline, prior to the time of any adjournment, postponement or rescheduling of the Creditors' Meeting (the "**Proxy Deadline**"). If your Proxy is not received by the Proxy Deadline, unless such time is extended, your Proxy will not be counted.

7. Sign the Proxy - your original signature is required on the Proxy to appoint a proxyholder and vote at the Creditors' Meeting. If you are completing the proxy as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing, and if subsequently requested, provide proof of your authorization to so sign. In addition, please provide your name, mailing address, telephone number and e-mail address.
8. If you need additional Proxies, please immediately contact the Monitor.
9. If multiple Proxies are received from the same person with respect to the same claim(s) prior to the Proxy Deadline, the latest dated, validly executed Proxy timely received will supersede and revoke any earlier received Proxy. However, if a holder of claims casts Proxies received by the Monitor dated with the same date, but which are voted inconsistently, such Proxies will not be counted. If a Proxy is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.
10. If an Affected Secured Creditor validly submits a Proxy to the Monitor and subsequently attends the Creditors' Meeting and votes in person inconsistently, such Affected Secured Creditor's vote at the Creditors' Meeting will supersede and revoke the earlier received Proxy.
11. Proxies may be accepted for purposes of an adjourned, postponed or other rescheduled Creditors' Meeting if received by the Monitor by the Proxy Deadline.
12. Any Proxy that is illegible or contains insufficient information to permit the identification of the claimant will not be counted.
13. After the Proxy Deadline, no Proxy may be withdrawn or modified, except by an Affected Secured Creditor voting in person at the Creditors' Meeting, without the prior consent of the Monitor and the Applicants.

IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THE ENCLOSED MATERIALS, PLEASE CONTACT THE MONITOR AT sheldon.title@mnp.ca OR VISIT THE MONITOR'S WEBSITE AT <https://mnpdebt.ca/en/corporate/corporate-engagements/tribalscale-inc>

Schedule “D”
Plan Resolution

FORM OF RESOLUTION

BE IT RESOLVED THAT:

1. The Plan of Compromise and Arrangement of TribalScale Inc. (the “**Company**”) pursuant to the *Companies’ Creditors Arrangement Act* (Canada) dated November 22, 2020 (the “**Plan**”), which Plan has been presented to this meeting (as such Plan may be amended, restated, supplemented and/or modified as provided for in the Plan), be and it is hereby accepted, approved, agreed to and authorized; and
2. one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company (whether under its respective corporate seal or otherwise), to execute and deliver, or cause to be executed and delivered, any and all documents and instruments and to take or cause to be taken such other actions as he or she may deem necessary or desirable to implement this resolution and the matters authorized hereby, including the transactions required by the Plan, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the taking of any such actions.

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF TRIBALSCALE INC.**

Court File No. CV-20-00645116-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

MEETING ORDER

WEISZ FELL KOUR LLP

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Lawyers for the Applicant, TribalScale Inc.

Exhibit “B”

Court No.: CV-20-00645116-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF TRIBALSCALE INC.**

**FIRST REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS COURT APPOINTED MONITOR
OF
TRIBALSCALE INC.**

OCTOBER 28, 2020

I. INTRODUCTION

1. On May 19, 2020 (the “ **NOI Filing Date**”), Tribalscale Inc. (“**Tribalscale**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to Section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. (“**MNP**”) was named proposal trustee in the NOI proceeding (the “**Proposal Trustee**”). Tribalscale’s NOI proceedings are referred to herein as the “**NOI Proceedings**”.
2. The Proposal Trustee filed two (2) reports in the NOI Proceedings, summarized as follows:

- a. A first report, dated June 16, 2020 in connection with Tribalscale’s motion seeking, *inter alia*, a court order extending the time within which Tribalscale had to file a proposal and granting a first ranking charge (the “**Administrative Charge**”) on the properties, assets and undertakings of the Company (collectively the “**Property**”) in an amount not to exceed \$125M in favour of the Proposal Trustee, Borden Ladner Gervais LLP (“**BLG**”), the Proposal Trustee’s independent legal counsel, and the Company’s legal counsel, (collectively, the “**Administrative Professionals**”) to secure payment of their reasonable fees and disbursements; and
 - b. A second report dated July 27, 2020 (the “**NOI Second Report**”), in response to, and in support of the Company’s motion heard on July 31, 2020, seeking, among other things, a court order declaring that the NOI Proceedings be continued under the *Companies Creditors’ Arrangement Act*, R.S.C. 1985, C. C-36, as amended (“**CCAA**”).
3. On July 31, 2020, the Court issued an order (the “**Initial Order**”) that, *inter alia*, ordered:
 - a. a stay of proceedings (the “**Stay of Proceedings**”) in favour of Tribalscale until October 31, 2020 (the “**Stay Period**”);
 - b. the appointment of MNP as the Monitor (the “**Monitor**”) in the CCAA proceedings (the “**CCAA Proceedings**”); and
 - c. charges on the Property, in the following order of priority:
 - i. Administration Charge - to the maximum amount of \$125,000; and
 - ii. Directors’ Charge - to the maximum amount of \$125,000;
4. In accordance with the Initial Order, the Proposal Trustee and its counsel have commenced taking steps in furtherance of its discharge as Proposal Trustee in the NOI Proceedings. BLG’s fees have been taxed by the Court. The Proposal Trustee’s statement of receipts and disbursements has been submitted to the Office of the Superintendent of Bankruptcy (“**OSB**”) for comment.

5. Information regarding the CCAA Proceedings has been posted to the Monitor's case website (the "**Case Website**") at <https://mnpdebt.ca/en/corporate/corporate-engagements/tribalscale-inc>.
6. As noted in the Jaitly Affidavits (as such term is defined below), the primary objectives of the CCAA Proceedings are to create a stabilized environment for Tribalscale to continue operating as a going concern business while the Company works with the Monitor and other advisors to (i) resolve a dispute with a customer, Sirius XM Connected Vehicle Services ("**Sirius XM**"); and (ii) to implement the Restructuring Support Agreement (the "**RSA**"), a copy of which is enclosed as Exhibit B of the October Affidavit (as such term is defined below).

II. RESTRICTIONS

7. In preparing this Report and making the comments herein, the Monitor has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the affidavits of Sheetal Jaitly, Tribalscale's CEO, dated June 15, 2020, July 25, 2020 filed in the NOI Proceedings and the affidavit of Sheetal Jaitly, dated October 27, 2020 (the "**October Affidavit**") in connection with the CCAA Proceedings (collectively, the "**Jaitly Affidavits**"), Tribalscale's books and records, discussions with Tribalscale's management ("**Management**") and information from other third-party sources (collectively, the "**Information**"). Except as specifically noted in this Report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
8. The Monitor also bases its report on the Company's cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the information referred to in this First Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional

Accountants of Canada, has not been performed. Future oriented financial information referred to in this First Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on the Company's business and the economy in general has yet to be determined. In developing the cash flow projections, Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

9. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

III. PURPOSE OF THIS REPORT

10. The purpose of this Report (the "**First Report**") is to:
 - a. Update the Court with respect to:
 - i. the activities of the Company and the Monitor since the NOI Second Report;
 - ii. the Company's actual cash flows for the period from July 20, 2020 to October 11, 2020 (the "**Revised Cash Flow Projections**");
 - iii. the updated and extended cash flow projections (the "**Second Revised Cash Flow Projections**") for the period from October 12, 2020 to January 31, 2021 (the "**Revised Extended Projection Period**") being filed herein, and the Monitor's observations regarding same; and

- iv. the RSA entered into between the Company and the 192 (defined below) which includes terms and conditions of restructuring the capital structure of the Company and a provision to establish a new company (“**Newco**”) to vest out absolutely all unsecured liabilities (the “**Unsecured Liabilities**”) of the Company to Newco among other related activities.
- b. provide the Monitor’s support for, and observations in respect of Tribalscale’s request that the Court to grant an Order:
 - i. approving the transaction contemplated by the RSA (the “**Transaction**”);
 - ii. extending the Stay Period until January 31, 2021; and
 - iii. approving the activities of the Monitor.

IV. BACKGROUND INFORMATION

- 11. Tribalscale is an Ontario corporation that until May 19, 2020 was carrying on business out of leased premises located at 200 Wellington Street West, Toronto, Ontario (the “**Leased Premises**”).
- 12. Tribalscale is a technology innovation firm providing services to companies located in Canada and United States on digital product strategy, design and development for web, mobile and emerging tech. The Company partners with large enterprises and teaches them the practices and approaches needed to release digital products to market that satisfy their consumers.
- 13. The Company commenced its business in 2015 and had early success, recording strong growth in 2017 and 2018. However, it attributes its financial difficulties primarily to slowdown in receipt of new contracts in 2019, delay in collections from certain existing customers due to disputes, coupled with high operating and payroll expenses. COVID-19 has further resulted in reducing the spending power of its existing and prospective customers, which has directly impacted the business and financial performance of the Company.

V. ACTIVITIES OF THE MONITOR

14. The Monitor has undertaken the following activities, *inter alia*:

- a. posted the Initial Order on the Case Website;
- b. filed the statutory forms (Form 1 and Form 2) in relation to the CCAA Proceedings with the OSB;
- c. sent a notice of the CCAA Proceedings, by prepaid ordinary mail, to all known creditors of the Company based on the list of creditors in the NOI Proceedings;
- d. updated the Case Website, as necessary;
- e. communicated via email and telephone with the stakeholders to address their inquiries;
- f. monitored Tribalscale's actual cash flows in comparison with the Revised Cash Flow Projections;
- g. assisted the Company in developing the Second Revised Cash Flow Projections;
- h. reviewed the RSA and provided the Monitor's comments on the Transaction;
- i. prepared this Report; and
- j. engaged in discussions with the Company and its counsel regarding the Company's efforts to restructure its operations.

15. In reviewing the Initial Order, the Monitor noted a discrepancy inasmuch as paragraph 30 relieved the Monitor of any obligation to publish a notice of the CCAA Proceedings as prescribed in subsection 23(1)(a)(i) of the CCAA, while paragraph 42 required the Monitor to publish a notice in The Globe and Mail (National Edition) without delay. The Company sought the relief not to publish this notice to reduce expenses, particularly given the Company had commenced the NOI Proceedings over two months before converting those

proceedings to the CCAA. Accordingly, the Monitor did not publish a notice pursuant to subsection 23(1)(a)(i) of the CCAA.

VI. CASH FLOW PROJECTIONS

16. To date, Tribalscale has provided the Monitor with its full co-operation and unrestricted access to its books and records.
17. The Monitor has implemented procedures for monitoring the Company's receipts and disbursements and has kept in close contact with Management to ensure that operations are continuing in the normal course of business and in accordance with the Revised Cash Flow Projections.
18. A summary of the Company's actual receipts and disbursements as compared to those presented in the Revised Cash Flow Projections for the twelve-week period ending October 11, 2020 ("Monitored Period") are as follows (subject to rounding errors):

Tribalscale Inc. Actual Receipts and Disbursements For twelve week period July 20 till October 11, 2020 (Unaudited, in \$ CAD)			
	Cumulative Twelve-Week Period Ended Oct 11, 2020		
	Actual	Budget	Variance
Receipts from customers	938,771	914,469	24,302
Canada Emergency Wage subsidy	193,445	179,069	14,376
SRED Refund	879,705	-	879,705
US Tax refund	-	2,082	(2,082)
Total receipts	2,011,920	1,095,620	916,301
Disbursements			
Payment to suppliers	-	(11,354)	11,354
Payments for operating expenses	(137,766)	(156,587)	18,821
Payroll (inc. contractors)	(522,891)	(535,538)	12,647
Interest and loan repayment	-	(18,948)	18,948
Tax	(14,478)	(34,969)	20,491
Total Disbursements	(675,136)	(757,397)	82,261
Operating Net Cash Flow	1,336,784	338,223	998,561
Administrative Fees	(100,086)	(226,413)	126,328
Net Cash Flow	1,236,699	111,810	1,124,889
Beginning Cash	896,024	896,024	-
Net Cash Flow	1,236,699	111,810	1,124,889
Interim Financing/(repayment)	-	-	-
Ending Cash	2,132,722	1,007,833	1,124,889

19. Overall, Tribalscale realized a positive net cash flow variance of approximately \$1.125MM during the Monitored Period. The key components of the variance are as follows:

- a. Receipts from customers: The favorable variance of approximately \$24.3M is primarily a timing difference relating to collections from one customer.
- b. Scientific Research and Experimental Development (“SRED”) Refund: The Company received from Canada Revenue Agency (“CRA”) a refund of \$879.7M pertaining to its 2019 SRED claim. Given the uncertainty concerning the timing of CRA’s assessment of this SRED refund claim, Tribalscale built the Revised Cash Flow Projections on the assumption that the SRED would not be received during the Monitored Period.
- c. Payment to suppliers: The favorable variance of \$11.35M is timing in nature and expected to reverse in the forthcoming period.
- d. Payment of operating expenses: The favorable variance of \$18.8M is permanent in nature and is primarily attributable to lower than anticipated accounting expenses during the Monitored Period.
- e. Payroll expenses: The favorable variance of \$12.6M is permanent in nature and relates to lower than anticipated payroll costs attributable to a few employee resignations and a slight delay in hiring new staff to replace them.
- f. Interest and loan repayment: The favorable variance of \$18.9M is timing in nature as Business Development Bank of Canada (“BDC”) stopped automatic withdrawals of principal and interest payments after the NOI Filing Date. The Company intends to pay the BDC loan as part of the Transaction.
- g. Tax Payments: The favorable variance is a permanent difference as the Company had not fully accounted for input tax credits while computing their tax liabilities. However, taxes have been properly accounted for it in the Second Revised Cash Flow Projections.

- h. Administrative fees: The favorable variance is a permanent difference and relates to lower than anticipated fees incurred during the Monitored Period. The Administrative Professionals having been billing Tribalscale monthly and Tribalscale has paid invoices promptly upon receipt.
- 20. In support of the Company's motion returnable October 30, 2020, the Company, with the assistance of the Monitor, prepared the Second Revised Cash Flow Projections, a copy of which, together with the reports of management and the Monitor on said reports, are attached hereto as **Exhibit "A" and "B"**, respectively. The Second Revised Cash Flow Projections have been prepared using the probable and hypothetical assumptions set out in the notes attached to the Second Revised Cash Flow Projections.
- 21. The Monitor's review of the Second Revised Cash Flow Projections consisted of enquiries, analytical procedures and discussions related to information supplied to us by the Company. Since hypothetical assumptions need not be supported, the procedures with respect to those assumptions were limited to evaluating whether they were consistent with the purpose of the forecast. The Monitor has also reviewed the support for the probable assumptions and the preparation and presentation of the forecast.
- 22. Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:
 - a. the hypothetical assumptions are not consistent with the purpose of the forecast;
 - b. as at the date of the Report, the probable assumptions used in developing the Second Revised Cash Flow Projections are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the forecast, given the hypothetical assumptions; and
 - c. the Second Revised Cash Flow Projections does not reflect the probable and hypothetical assumptions.
- 23. A summary of the Second Revised Cash Flow Projections is provided in the following table (subject to rounding errors):

Currency: CAD	Total
Week beginning October 12 2020	
Opening cash balance	2,132,722
Receipts	
Collection from new sales	991,757
Sale of Equipment and Fixture	15,490
Wage subsidy	245,216
Total receipts	1,252,463
Disbursements	
Pre-NOI expenses	4,876
Payroll (including taxes)	883,581
Accounting expenses	108,920
Operating and other miscellaneous expenses	105,421
Repayment of BDC loan	33,280
Interest on BDC loan	4,616
Administrative fees	220,000
HST payments	94,352
Total disbursements	1,455,046
Net Cash flow (Receipts less disbursements)	(202,583)
Closing cash balance	1,930,140

24. During the Revised Extended Projection Period, the Company projects a net cash shortfall of \$202.58M and have a remaining cash balance of approximately \$1.93MM at the end of the Revised Extended Projection Period.

25. Since the NOI Filing Date, the Company's cash flow has been enhanced by:

- a. The SRED refund;
 - b. The Canada Emergency Wage Subsidy ("CEWS"); and
 - c. Reductions in wages/salary paid to the staff, applied both in response to the COVID-19 pandemic and as a part of the Company's restructuring.
26. The government has confirmed its intention to extend CEWS until June 2021 and is providing details on the parameters of the CEWS that are proposed to apply until December 19, 2020. In assessing its cash flow going forward, Tribalscale has conservatively

estimated the extent to which it may receive further CEWS benefits and subject to certain conditions, is considering phasing in the return to full salary levels. The impact of these changes to Tribalscale's business are contributing to the reduction in Tribalscale's cash reserves during the Revised Extended Projection Period.

27. Based on the Second Revised Cash Flow Projections and the actual results to date, it appears as if Tribalscale has sufficient funds available to carry on its operations through the Revised Extended Projection Period.

VII. FINANCIAL POSITION OF THE COMPANY

ASSETS

28. Tribalscale's assets are comprised of cash, customer contracts, accounts receivable, capital assets, goodwill and intangible assets. The Company relies on open source intellectual property and has not developed any proprietary intellectual property

29. The net book value of Tribalscale's tangible assets is summarized below:

Asset Description	Net Book Value (as at September 30, 2020 unless stated otherwise)
Cash in Bank (as at October 11, 2020)	\$ 2,132,722
Accounts Receivable (as at October 11, 2020)	1,076,622
CEWS receivable	92,112
Investments	1,388,431
Prepaid Assets/Deposits	110,424
Intercompany Receivables	67,639
Capital Assets	477,969
Total	\$ 5,345,919

30. Accounts receivables of approximately \$1.076MM as noted in above table includes doubtful receivables of \$760M, of which \$671M relates to an amount due from Sirius XM (the “**Sirius XM Receivable**”), which will be considered in further detail below. The Company has assumed that any collection from its doubtful accounts receivable will occur after the Revised Extended Projection Period. The remaining accounts receivables of \$316M are considered good and are expected to be collected by December 2020.
31. Tribalscale’s capital assets consist largely of a significant volume of computer hardware and office equipment. In response to the landlord terminating the lease in respect of the Leased Premises and due to the COVID-19 pandemic, Tribalscale’s employees have largely been working remotely using the Company’s computer equipment, which equipment has a net book value of approximately \$100M. Tribalscale has arranged for certain of its surplus equipment, formerly located at the Leased Premises, to be stored in a warehouse located in Whitby, Ontario. Tribalscale recently advertised its redundant fixed assets comprising computer hardware, and furniture and fixtures, having a net book value of approximately \$113M via online platforms such as Kijiji and Facebook marketplace and have collected \$15.5M during October 2020 which is reflected in the Second Revised Cash Flow Projections. The Company’s remaining redundant capital assets have a net book value of approximately \$265M and given the weak market for such equipment, recoveries from this source are expected to be minimal. The Company is considering its options for realizing on this equipment, including considering paragraph 14 of the Initial Order, that provides Tribalscale the right to dispose of redundant or non-material assets not exceeding \$100M in any one transaction or \$250M in the aggregate.
32. Tribalscale also holds an equity position in five privately held companies, with those investments having a net book value of approximately \$1.388MM.
33. The realizable value of Tribalscale’s assets will be further considered in paragraph 45 below.

CREDITORS

Summary

34. As at September 30, 2020, Tribalscale’s liabilities are summarized as follow:

Liability Description	Estimated Liability
Trade payables	\$ 1,257,820
CRA Source deductions	20,023
Accrued payroll	298,579
Accrued Vacation Pay	65,893
Accrued expenses	47,768
Customer advances	193,427
Loan from 192 (defined below)	2,648,285
BDC (as at October 26, 2020)	115,317
Loan from Shareholders	1,480,000
Total	\$ 6,127,112

Secured Creditors

35. A search of the Ontario *Personal Property Security Act* (the “**PPSA**”) registry, as of May 18, 2020, indicates that 1924191 Ontario Inc. (“**192**”), BDC, Roynat Capital Inc. (“**Roynat**”) and FundThrough Inc. (“**FundThrough**”) have each registered a secured interest against the Company.

36. The Company advised the Proposal Trustee that prior to the NOI Filing Date it fully satisfied its obligations to FundThrough and Roynat.

37. Based on the Company’s records, Tribalscale’s secured debt obligations to 192 and BDC (collectively, the “**Secured Creditors**”) total approximately \$2.763MM, of which \$2.648MM (the “**192 Secured Debt**”) is due to 192 and \$115.3M (the “**BDC Secured Debt**”) is due to BDC. This includes outstanding interest through to September 30, 2020.

38. BLG has provided the Monitor with an opinion confirming that, subject to certain standard assumptions and qualifications, that the The Bank of Nova Scotia (“BNS”) loan and security in respect of Tribalscale, as assigned to 192 is valid and enforceable as against the Company.

Other Creditors

Priority Payables

39. In addition to the foregoing, Tribalscale has certain obligations that would potentially rank prior to the Secured Creditors, including obligations to:

- a. CRA on account of unpaid payroll source deductions amounting to approximately \$18.13M arising from CRA’s Notice of Assessment, dated October 9, 2020 for failure to remit certain taxes in 2018. As the assessment was only recently received, Tribalscale is in dialogue with CRA concerning the extent of its arrears. CRA’s claim for unpaid source deductions represents a deemed trust claim ranking in priority over the Secured Creditors;
- b. Accrued wages of \$298M as at September 30, 2020, out of which \$92M relates to the employee wages and have been paid in a subsequent payroll cycle. The remaining accrual of \$206M primarily relates to arrears of salary payable to Sheetal Jaitly on account of reduction in his salary from the period April 2019 through May 19, 2020; and
- c. Subsections 81.3 and 81.4 of the BIA provides for a prior ranking charge against the Company’s current assets for wages and vacation pay earned but not paid during the six months preceding a bankruptcy or receivership to a maximum of \$2M per employee. Tribalscale has accrued vacation pay of approximately \$65.89M, of which approximately \$40M would rank as a secured charge pursuant to subsections 81.3 and 81.4 of BIA.

Unsecured Creditors

40. As at September 30, 2020, unsecured creditors amount to approximately \$3.30MM.

VIII. THE RESTRUCTURING SUPPORT AGREEMENT

41. As noted in the Jaitly Affidavits, one of Tribalscale's key objectives in the CCAA Proceedings is to resolve its secured indebtedness with 192, and Tribalscale has been in ongoing negotiations with 192 to achieve this objective.

42. Tribalscale has now agreed to terms of an RSA with 192 which details the terms of the Transaction. 192 holds, among other things, the debt and a General Security Agreement from Tribalscale, granted originally in favour of BNS and assigned to 192, creating a security interest over the Property. A summary of the salient terms of the Transaction are as follows:

- a. The Transaction, which is subject to Court approval, is to be effected pursuant to a plan of compromise or arrangement under the CCAA to restructure the 192 Secured Debt;
- b. 192 will convert 50% of the 192 Secured Debt into 85% of the equity in the share capital of the Company on a fully diluted basis.
- c. The remaining 50% of the 192 Secured Debt will remain on the balance sheet of the Company, with payment of interest accruing on the 192 Secured Debt being deferred until the date that is one year from the closing of the Transaction (the "**Interest Deferral**"). The 192 Secured Creditor will continue to maintain its security over the Property for the remaining 192 Secured Debt;
- d. BNS shall be issued 5% of the equity in the share capital of the Company on a fully diluted basis in full and final satisfaction of the consideration owed to BNS by the Company as a result of the assignment of the 192 Secured Debt from BNS to 192;
- e. in consideration of Sheetal Jaitley's continuing involvement with the Company:
 - i. Sheetal Jaitly shall be issued 10% of the equity in the share capital of the Company on a fully diluted basis; and

- ii. Tribalscale shall pay the BDC Secured Debt, notwithstanding BDC is second in priority to the indebtedness of the Secured Creditor;
- f. Tribalscale will incorporate Newco and will look to obtain approval from the Court for a reverse vesting order, vesting out of absolutely all the Unsecured Liabilities from Tribalscale to Newco;
- g. Tribalscale will issue to the unsecured creditors of Newco a promissory note in the amount of the Sirius XM Receivable, less the fees and costs incurred to collect or enforce the Sirius XM Receivable, which promissory note shall be payable on a pro rata basis to unsecured creditors of Newco upon receipt of the Sirius XM Receivable or upon determination or settlement of the claim of the Company against Sirius XM in respect to the Sirius XM Receivable; and
- h. The Company, as approved by 192, will continue payment of the following liabilities in the ordinary course:
 - i. All trade obligations incurred by the Company towards its suppliers following the NOI Filing Date; and
 - ii. All outstanding and continuing obligations of the Company towards its employees.

Comparison of the RSA with a Liquidation in Bankruptcy

- 43. The Transaction contemplates the vesting out of all unsecured liabilities, with the unsecured creditors receiving the benefits derived from the Sirius XM Receivable after deducting fees and collection costs. Given the potential impact of the Transaction on the unsecured creditors, the Monitor has considered whether the Transaction would be more beneficial to Tribalscale's stakeholders than a sale or otherwise realizing on the Property under a bankruptcy.
- 44. As noted above, Tribalscale's assets consist primarily of its cash, accounts receivable, contracts, intellectual property, investments and furniture and equipment. In assessing the liquidation value of the Property, the Monitor assumes that if Tribalscale were to become

bankrupt, Tribalscale's operations would be terminated and all equipment would be liquidated through a liquidation sale in a private or public offering.

45. In evaluating the value of the Property in a liquidation, the Monitor has considered, among other things:

- a. Accounts Receivable – the aging of the receivables and the potential unfavourable impact a cessation of Tribalscale's operations would have on collections, particularly given a considerable portion of the accounts receivables relate to ongoing contracts with customers. Customers may have claims for off-set due to Tribalscale's inability to complete remaining contracts, thereby significantly impairing the collectability of the accounts receivable. Further, if Tribalscale were a bankrupt, it is unlikely that a Licensed Insolvency Trustee ("**LIT**") would have the means of pursuing the recovery of the Sirius XM Receivable or any of the doubtful accounts;
- b. Contracts/Intellectual Property – Tribalscale is providing services to and developing technology for its customers that is customized to the specific needs of its customers. If Tribalscale were to become bankrupt, while it may be beneficial for customers to acquire the intellectual property as is, it is more likely that Tribalscale's customers would cancel contracts or ascribe little value to the intellectual property that is subject to further development. In a bankruptcy, the LIT would likely not carry on Tribalscale's business, and accordingly, would be unable to (i) complete contracts; or (ii) transfer knowledge to a potential purchaser(s) of Tribalscale's contracts in a timely and satisfactory manner to the customers in order to realize value from these contracts. Accordingly, the existing contracts are likely to produce little, if any, value in a liquidation.
- c. Equipment – As noted above, partial sale of the surplus equipment stored at the Whitby, Ontario warehouse has produced \$15.5M by selling it via online platforms while the balance is also expected to be sold at a significant discount to book value. Save and except for the computer equipment located at Tribalscale's rented premises in Toronto, Ontario, the balance of computer equipment is dispersed to

the staff working at home. Accordingly, the Monitor has not been unable to arrange a physical inspection or an appraisal of this equipment. Considering the ongoing enhancements in computer technology, the forced liquidation value of Tribalscale's computer equipment and other fixed assets are likely nominal.

d. Prepaid Assets/Deposits – Includes:

- i. prepaid expenses of \$31M, out of which \$13M relates to an insurance policy that renews in December 2020 and the balance \$18M relates to prepaid license fees that likely are unrecoverable in the event of Tribalscale's bankruptcy;
- ii. retainers of \$50M in favour of the Administrative Professionals and certain accounting professionals for ongoing services; and
- iii. deposit of \$30M relates to deposit in favour of the health benefit solution provider for health insurance of the employees, which amount varies depending upon the usage of the plan.

e. Investments - The Company holds equity positions in five (5) private companies, some of which was the consideration received by Tribalscale from its customer for providing services. Tribalscale has provided the Monitor with financial statements and certain other information related to these investments. The balance sheets provided for these companies indicate limited asset value besides from the intangible assets/intellectual property. The Monitor notes that it does not possess sufficient information on which to carry out a valuation of these intangibles and intellectual property and/or Tribalscale's interest in these companies. The Monitor is also of the view that such a valuation is beyond the scope of its mandate. Accordingly, in comparing the RSA with a liquidation in bankruptcy, the Monitor has not considered the value these investments may produce, if any, in the event of a liquidation.

46. As noted above, the unsecured creditors would receive a hope note which would result in the unsecured creditors receiving the net proceeds produced from the Sirius XM

Receivable after deducting fees and other collection costs. Tribalscale is of the view that it fulfilled its obligations to Sirius XM in respect of the Professional Services Agreement and the Statement of Work entered into by the parties. Sirius XM disputes this and purports there are deficiencies with respect to Tribalscale's performance in completing the contract. Based on the Jaitly Affidavits, Tribalscale intends to shortly bring a motion within the CCAA Proceedings regarding the Sirius XM Receivable. Given the nature of the disputes and uncertainty concerning litigation, the Monitor is unable to assess the extent and timing of recoveries from the Sirius XM Receivable. Nonetheless, the Sirius XM Receivable offers the unsecured creditors with a potential source of recovery.

47. Based on the estimated realizable value of the Property, but not taking in account the Investments, and given the extent of Tribalscale's obligation to the Secured Creditors, the costs of realization and potential priority payables, it appears likely that there would be minimal if any, net proceeds of realization available to the Unsecured Creditors in the event of a bankruptcy. Accordingly, the Monitor is of the view that a liquidation is unlikely to result in a better, and a more certain outcome for the Unsecured Creditors than the Transaction.

48. The Monitor also supports the Transaction for the following reasons:

- i. 192's willingness to convert part of the 192 Secured Debt into equity, together with the Interest Deferral, will assist Tribalscale in continuing its operation by, among other things, reducing its debt service payments; and
- j. The Transaction is intended to maintain Tribalscale as a going concern to preserve the revenue-generating capabilities of the Company for the benefit of all stakeholders, including employees, trade creditors and suppliers.

IX EXTENSION OF STAY PERIOD

49. The Monitor also supports the Company's request for the extension of the Stay Period for the following reasons:

- a. Tribalscale is acting in good faith and with due diligence;

- b. should the Court approve the RSA and the associated relief sought by the Company, the continuation of the Stay of Proceedings will provide the Company with the time and protection it requires to complete the Transaction and to continue efforts to realize on the Sirius XM Receivable; and
- c. the extension of the Stay Period does not adversely affect or materially prejudice creditors as Tribalscale is projected to have sufficient funds to pay for services and supplies during the Revised Extended Projection Period.

X. CONCLUSION AND RECOMMENDATION

50. Based on the foregoing, the Monitor respectfully recommends that the Court make an order granting the relief detailed in paragraph 10.

All of which is respectfully submitted on this 28th day of October 2020.

MNP LTD.,
in its capacity as Court Appointed Monitor of
Tribalscale Inc.
Per:



Sheldon Title
Licensed Insolvency Trustee

Court No.: CV-20-00645116-00CL

**IN THE MATTER OF THE CCAA PROCEEDINGS OF TRIBALSCALE INC.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

***ONTARIO*
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)**

**FIRST REPORT TO THE COURT SUBMITTED BY MNP
LTD., IN ITS CAPACITY
AS COURT APPOINTED MONITOR OF
TRIBALSCALE INC.**

MNP LTD.
300-111 Richmond Street West
Toronto, ON M5H 2G4

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Fax: (416) 323-5242
Email: sheldon.title@mnp.ca

Exhibit “C”

Court No.: CV-20-00645116-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF TRIBALSCALE INC.

SECOND REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS COURT APPOINTED MONITOR
OF
TRIBALSCALE INC.

NOVEMBER 24, 2020

I. INTRODUCTION

1. On May 19, 2020, Tribalscale Inc. (“**Tribalscale**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to Section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). MNP Ltd. (“**MNP**”) was named proposal trustee in the NOI proceeding. Tribalscale’s NOI proceedings are referred to herein as the “**NOI Proceedings**”.
2. On July 31, 2020, the Court issued an order that, *inter alia*, ordered:
 - a. a stay of proceedings in favour of Tribalscale until October 31, 2020 (the “**Stay Period**”);

- b. declaring that the NOI Proceedings be continued under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C. C-36, as amended ("**CCAA**");
 - c. the appointment of MNP as the Monitor (the "**Monitor**") in the CCAA proceedings (the "**CCAA Proceedings**"); and
 - d. charges (the "**Charges**") on the properties, assets and undertakings of the Company (collectively the "**Property**"), in the following order of priority:
 - i. Administration Charge - to the maximum amount of \$125,000; and
 - ii. Directors' Charge - to the maximum amount of \$125,000.
3. On October 28, 2020, the Monitor filed its first report (the "**First Report**") in support of the Company's motion to approve, *inter alia*: (i) an extension of the Stay Period until January 31, 2021; and (ii) the Restructuring Support Agreement between Tribalscale and its senior secured creditor, 1924191 Ontario Inc. ("**192**") dated as of November 3, 2020 (the "**RSA**"). On October 30, 2020, the Court approved the RSA and granted the requested extension of the Stay Period. A copy of the October 30, 2020 Court Order is attached as **Appendix "A"**.
4. Information regarding the NOI Proceedings and the CCAA Proceedings has been posted to the Monitor's case website (the "**Case Website**") at <https://mnpdebt.ca/en/corporate/corporate-engagements/tribalscale-inc>.
5. As noted in the Jaitly Affidavits (as such term is defined below), the primary objectives of the CCAA Proceedings are to create a stabilized environment for Tribalscale to continue operating as a going concern business while the Company works with the Monitor and other advisors to (i) resolve a dispute with a customer, Sirius XM Connected Vehicle Services ("**Sirius XM**"); and (ii) to implement the RSA by way of a plan of arrangement under the CCAA (the RSA is enclosed as Exhibit "A" of the November Affidavit (as such term is defined below)).

II. RESTRICTIONS

6. In preparing this Report and making the comments herein, the Monitor has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the affidavits of Sheetal Jaitly, Tribalscale's CEO, dated June 15, 2020 and July 25, 2020 filed in the NOI Proceedings and the affidavits of Sheetal Jaitly, dated October 27, 2020 and November 22, 2020 (the "**November Affidavit**") in connection with the CCAA Proceedings (collectively, the "**Jaitly Affidavits**"), Tribalscale's books and records, discussions with Tribalscale's management ("**Management**") and information from other third-party sources (collectively, the "**Information**"). Except as specifically noted in this Report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
7. The Monitor also bases its report on the Company's cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the information referred to in this Second Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial information referred to in this Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material. On March 17, 2020, the Province of Ontario declared a state of emergency due to the COVID-19 pandemic. The effect of this declaration along with other federal, provincial and municipal actions regarding the COVID-19 pandemic on the Company's business and the economy in general has yet to be determined. In developing the cash flow projections, Management has reflected its current view of the potential impact of the COVID-19

pandemic on its cash flow. However, the ongoing uncertainty and instability caused by the COVID-19 pandemic and various government regulatory actions in response thereto, may cause actual results to differ from the projected amounts and these variations may be material.

8. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

III. PURPOSE OF THIS REPORT

9. The purpose of this Report (the “**Second Report**”) is to:
 - a. Update the Court with respect to:
 - i. the activities of the Company and the Monitor since the First Report;
 - ii. the Company’s actual cash flows for the period from October 12, 2020 to November 15, 2020, as well as any material variances between these actual receipts and disbursements and the revised cash flow forecast (the “**Second Revised Cash Flow Forecast**”), which was appended to the First Report and attached hereto as **Appendix “B”**;
 - iii. provide an overview of the key terms and conditions of Tribalscale’s Plan of Compromise and Arrangement dated November 22, 2020 (as such plan may be amended or modified from time to time, the “**Plan**”), a copy of which is attached as Exhibit “B” to the November Affidavit;
 - iv. provide information regarding the meeting of creditors (the “**Meeting**”) to consider and vote on the Plan;
 - b. provide the Monitor’s support for, and observations in respect of Tribalscale’s request that the Court to grant an Order (the “**Meeting Order**”), *inter alia*:
 - i. accepting the filing of the Plan;
 - ii. approving the classification of the Affected Secured Creditors (as defined below and in the Plan) as set out in the Plan for considering and voting on the Plan;

- iii. authorizing Tribalscale, with the assistance of the Monitor, to call, hold and conduct the Meeting and approving the voting procedures contemplated to be followed at the Meeting;
- iv. authorizing that Business Development Bank of Canada (“**BDC**”) be deemed to have voted in favour of Plan; and
- v. approving the activities of the Monitor and those of its independent legal counsel, Borden Ladner Gervais LLP (“**BLG**”), as set-out in this Report.

IV. BACKGROUND INFORMATION

- 10. Tribalscale is an Ontario corporation that until May 19, 2020 was carrying on business out of leased premises located at 200 Wellington Street West, Toronto, Ontario.
- 11. Tribalscale is a technology innovation firm providing services to companies located in Canada and United States on digital product strategy, design and development for web, mobile and emerging tech. The Company partners with large enterprises and teaches them the practices and approaches needed to release digital products to market that satisfy their consumers.

V. ACTIVITIES OF THE COMPANY

- 12. Since the First Report, the Company has *inter alia*:
 - a. with the assistance of its legal counsel and the Monitor and BLG, formulated the Plan;
 - b. carried on its business in the ordinary course, including providing a reporting of actual receipts, disbursements and variances to the Monitor; and
 - c. communicated with creditors, including Canada Revenue Agency to, among other things, facilitate a further trust examination in respect of Tribalscale’s payroll account and the Ministry of Finance in respect of filing certain Employer Health Tax returns.

VI. ACTIVITIES OF THE MONITOR

13. The Monitor has undertaken the following activities since the First Report, *inter alia*:

- a. updated the Case Website, as necessary;
- b. communicated via email and telephone with the stakeholders to address their inquiries;
- c. monitored Tribalscale's actual cash flows in comparison with the Second Revised Cash Flow Forecast;
- d. reviewed and, together with BLG, provided the Monitor's comments on the Plan;
- e. prepared this Report; and
- f. engaged in discussions with the Company and its counsel regarding the Company's efforts to restructure its operations.

VII. CASH FLOW PROJECTIONS

14. To date, Tribalscale has provided the Monitor with its full co-operation and unrestricted access to its books and records.

15. The Monitor has implemented procedures for monitoring the Company's receipts and disbursements and has kept in close contact with Management to ensure that operations are continuing in the normal course of business and in accordance with the Second Revised Cash Flow Projections.

16. A summary of the Company's actual receipts and disbursements as compared to those presented in the Second Revised Cash Flow Projections for the five-week period October 12, 2020 through November 15, 2020 ("**Monitored Period**") are as follows (subject to rounding errors):

	<i>Cumulative Five-Week Period Ended Nov 15, 2020</i>		
(Unaudited, in \$ CAD)	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Receipts from customers	183,588	151,037	32,551
Sale of Equipment and Fixture	21,825	15,490	6,335
Miscellaneous Income & SRED	5,962	-	5,962
Canada Emergency Wage subsidy	92,112	92,112	0
Total receipts	303,487	258,639	44,848
Disbursements			
Payment to suppliers	(4,876)	(4,876)	-
Payments for operating expenses	(52,102)	(59,427)	7,325
Payroll (inc. contractors)	(238,881)	(241,459)	2,578
Interest and loan repayment	-	-	-
Tax	(22,228)	(22,228)	-
Total Disbursements	(318,087)	(327,990)	9,902
Operating Net Cash Flow	(14,601)	(69,351)	54,750
Administrative Fees	(36,509)	(70,000)	33,491
Net Cash Flow	(51,110)	(139,351)	88,241
Beginning Cash	2,132,722	2,132,722	-
Net Cash Flow	(51,110)	(139,351)	88,241
Interim Financing/(repayment)	-	-	-
Ending Cash	2,081,612	1,993,371	88,241

17. Overall, Tribalscale realized a favorable net cash flow variance of approximately \$88.24M during the Monitored Period. The key components of the variance are as follows:

- a. Receipts from customers: The favorable variance of approximately \$32.55M is primarily a timing difference relating to early collections from two customers totaling approximately \$123.6M, which is partially offset by a delay in receipt of collections from another customer of approximately \$91.25M, which was received subsequent to the Monitored Period.
- b. Sale of Equipment and Fixture: As noted in the First Report, Tribalscale recently advertised its redundant fixed assets comprising computer hardware, and furniture and fixtures, via the online platforms, Kijiji and Facebook marketplace. The

Company realized approximately \$21.8M (net book value of approximately \$159.2M), which was higher than what had been expected. The favorable variance is permanent in nature.

- c. Payment of operating expenses: The favorable variance of \$7.3M is timing in nature and relates to delay in receipt of certain supplier invoices.
- d. Administrative fees: The favorable variance appears to be timing in nature as the Company anticipates increased costs related to the CCAA Proceedings, and more particularly, the development and implementation of the Plan.

VIII THE PLAN

Purpose of the Plan

- 18. As noted in the Jaitly Affidavits, one of Tribalscale's key objectives in the CCAA Proceedings is to resolve its secured indebtedness with 192. Tribalscale was involved in ongoing negotiations with 192, culminating in the parties entering into the RSA.
- 19. The purpose of the Plan, like the RSA, is to effect a restructuring of Tribalscale's secured indebtedness with the expectation that persons having an economic interest in the Company, when considered as a whole, will derive a greater benefit from the implementation of the Plan than would result from Tribalscale's bankruptcy.
- 20. Tribalscale also commenced the CCAA Proceedings to work with the Monitor and other advisors to resolve its dispute with Sirius XM concerning an amount due from Sirius XM (estimated at \$671M) (the "**Sirius XM Receivable**") relating to services Tribalscale rendered to Sirius XM. In this regard, the RSA and the Plan contemplate:
 - a. Tribalscale incorporating a new company ("**Newco**") and seeking approval from the Court for a reverse vesting order ("**RVO**"), which has the effect of transferring all the unsecured debt of Tribalscale to Newco and then vesting out absolutely the claims of all transferred unsecured creditors from Newco; and

- b. Tribalscale issuing to the unsecured creditors of Newco a promissory note in the amount of the Sirius XM Receivable, less the fees and costs incurred to collect or enforce the Sirius XM Receivable, which promissory note shall be payable on a pro rata basis to the unsecured creditors of Newco upon receipt of the Sirius XM Receivable or upon a determination by the Court, or settlement of the claim of the Company against Sirius XM in respect to the Sirius XM Receivable.

Summary of Salient Terms of the Plan

- 21. The following section provides a summary of the salient terms of the Plan. The description of the Plan is a summary only, and creditors are cautioned that in the event that there is inconsistency between the Second Report and the Plan, the terms of the Plan shall govern. Creditors are encouraged to read the Plan in its entirety and to review it with legal counsel.

Classes of Creditors

- 22. As at September 30, 2020, Tribalscale's secured debt obligations to 192 and BDC (collectively, the "**Affected Secured Creditors**") total approximately \$2.763MM, of which \$2.648MM (the "**192 Secured Debt**") is due to 192 and \$115.3M (the "**BDC Secured Debt**") is due to BDC.
- 23. The Plan contemplates each of the two Affected Secured Creditors being placed into their own class.
- 24. The Plan provides the following treatment to the claims:

192 Secured Debt

- a. On the Implementation Date (as defined in the Plan), 192 shall be entitled to receive in exchange for all of its right, title and interest in and to the 192 Secured Debt, a distribution of:
 - i. 90% of the new common shares ("**New Common Shares**") in Tribalscale's capital and

- ii. A secured promissory note issued by Tribalscale to 192 in the principal amount of \$1.4MM, with interest accruing annually at a rate of 2% per annum.
- b. 192 shall assign five (5%) of the New Common Shares to the Bank of Nova Scotia (“BNS”), which assignment is a result of the prior assignment of the 192 Secured Debt from BNS to 192.

BDC Secured Debt

- c. On the Implementation Date, Tribalscale shall make a cash distribution in the amount of the BDC Secured Debt via an electronic wire transfer, in full and final satisfaction of the indebtedness to BDC;

Equity Claims

- d. All equity claims, as such term is defined in section 2 of the CCAA, and all claims that are based on or related to Equity Claims (as such term is defined in the Plan), shall and shall be deemed to be fully, finally and irrevocably and forever compromised, released, discharged, settled, extinguished, cancelled and barred on the Implementation Date.

Unaffected Creditors

25. The Plan does not affect the Unaffected Creditors (as such term is defined in the Plan) to the extent of their Unaffected Claims (as such term is defined in the Plan and described below). Unaffected Claims, include

- a. the Charges;
- b. any Claims that cannot be compromised pursuant to subsection 19(2) of the CCAA;
- c. certain priority claims in favour of the Crown and Tribalscale’s employees that must be paid in accordance with the CCAA as a condition of the Court granting the Sanction Order;

- d. any claims vested out by the RVO (which, for greater clarity is all unsecured claims other than normal course trade obligations); and
- e. the Unsecured Trade Obligations (as such term is defined in the Plan).

Conditions Precedent to the Plan Implementation

26. The conditions precedent to the Plan (the “**Implementation Conditions**”) are set out in article 6.1 of the Plan and include, among other things:

- a. the Plan must be approved by the requisite majority of the Affected Secured Creditors;
- b. the order sanctioning the Plan (the “**Sanction Order**”) and the RVO must be granted by the Court;
- c. the existing shareholders agreement of Tribalscale shall be deemed to be terminated pursuant to the Sanction Order;
- d. Tribalscale shall file articles of amendment to restate the rights, privileges, restrictions and conditions attaching to the common shares;
- e. all applicable appeal periods in respect of the Sanction Order and the RVO will have expired and any appeals therefrom finally disposed of by the applicable appellant tribunal;
- f. all required persons will have executed, delivered and filed all documents and other instruments that, in the opinion of the Company and the Monitor, are necessary to implement the provisions of the Plan, the Sanction Order and the RVO; and
- g. no action or proceeding will be pending by any third party to enjoin or prohibit the Plan.

27. Upon satisfaction of the Implementation Conditions, Tribalscale will proceed to implement the Plan. In consultation with the Monitor, the Company will designate the Implementation

Date and will implement the Plan on the day indicated on the certificate which the Monitor files with the Court certifying the waiver or satisfaction of the Implementation Conditions.

Releases

28. The Plan contemplates that on the Implementation Date, each of the Affected Secured Creditors will release Tribalscale, its present and former employees, contractors, Directors and Officers, financial advisors, legal counsel and agents, from any and all liabilities and claims that arose either prior to the Implementation Date, or after the Implementation Date in furtherance of the Plan and that is in any way related to, arose out of, or connected with the (i) Affected Secured Claims; (ii) Equity Claims (iii) Existing Shares (as such term is defined in the Plan); (iv) Existing Share Options (as such term is defined in the Plan); (v) RSA; (vi) Plan; (vii) CCAA Proceedings or (viii) NOI Proceedings.
29. The release provided for in the Plan does not extend to release or discharge: (i) Unaffected Claims; (ii) Tribalscale from its obligations under the Plan, or any order issued by the Court in connection with the Plan; (iii) Newco from its obligations under the Plan; and (iv) a Released Party in such circumstances where that party has been found by the Court to have committed fraud, gross negligence or wilful misconduct.

Amendments to the Plan

30. Tribalscale, subject to the provisions of the Plan, is authorized to make and file modifications to the Plan prior to, or at the Meeting, in which case any such modifications will be deemed to form part of the Plan. Notice of such modifications to the Plan will be permitted at, or before the Meeting provided that if, prior to, or at the Meeting (a) the Chair communicates the details of the plan modification to Affected Secured Creditors and other persons present at the Meeting prior to any vote being taken at the Meeting; (b) Tribalscale provides notice to the service list in the CCAA Proceedings of such modification and files a copy thereof with the Court forthwith and in any event, prior to the Court hearing the motion for the Sanction Order (the “**Sanction Motion**”); and (c) the Monitor posts an electronic copy of the plan modification on the Case Website forthwith and in any event prior to the Court hearing the Sanction Motion.

31. After the Meeting (and both prior to and subsequent to the granting of the Sanction Order by the Court), the Company is authorized to make certain plan modifications: (a) pursuant to an Order of the Court, or (b) without an order of the Court if, in the opinion of the Company and the Monitor, such amendment is (i) administrative in nature; (ii) required to in order to give effect to the implementation of the Plan or the Sanction Order; or, (iii) required to cure any errors, omissions or ambiguities in respect of the Plan, and with regard to (i), (ii) or (iii) will not be materially prejudicial to the interests of the Affected Secured Creditors. The Monitor will forthwith post on the Case Website any such amendment or modification of the Plan, with notice of such posting forthwith provided to the Service List.

Monitor's Observations and Conclusions

32. The Monitor is of the view that the Plan is fair and reasonable and recommends that the creditors vote in favour of the Plan for the following reasons:

- a. the Plan contemplates the continued operation of Tribalscale's business;
- b. 192's contemplated conversion of a portion of the 192 Secured Debt to equity will enable Tribalscale to continue its operations by reason of reducing its debt service payments;
- c. the classification of the Affected Secured Creditors into two classes is fair and reasonable having regard to the factors detailed in section 22 of the CCAA, including the:
 - i. nature and rank of any security in respect of their claims;
 - ii. the remedies available to the creditors in the absence of the Plan; and
 - iii. the lack of commonality of interest given the contemplated treatment of each of the Affected Secured Creditors under the Plan;
- d. The 192 Secured Debt will be compromised under the Plan, whereas the BDC Secured Debt will be repaid in full.
- e. the Plan is consistent with the RSA, which as noted above, was previously approved by the Court;

- f. BLG has provided the Monitor with an opinion confirming that, subject to certain standard assumptions and qualifications, that the BNS loan and security in respect of Tribalscale, as assigned to 192 is valid and enforceable as against the Company.
- g. as noted in the First Report, based on the estimated realizable value of the Property, but not taking in account Tribalscale's investments¹, and given the extent of Tribalscale's obligation to the Secured Creditors, the costs of realization and potential priority payables, it appears likely that there would be minimal if any, net proceeds of realization available to the Unsecured Creditors in the event of Tribalscale's bankruptcy. Accordingly, the terms of the Plan and the effect of the contemplated RVO appear fair and reasonable given that the Unsecured Creditors do not appear to have an economic interest in Tribalscale's business; and
- h. the Plan is intended to maintain Tribalscale as a going concern in order to preserve the revenue-generating capabilities of the Company for the benefit of all stakeholders, including employees, trade creditors and suppliers.

IX CREDITORS MEETING

33. The Meeting is to be held in accordance with the Plan and the proposed Meeting Order. A summary of the proposed Meeting Order is provided below:

- a. The Meeting of the Affected Secured Creditors is to be held on November 27, 2020 at 4 PM (Toronto time). The Meeting is to take place by videoconference due to the COVID-19 pandemic;
- b. A representative of the Monitor, designated by the Monitor, shall preside as the chair of the Meeting. The Monitor may also appoint scrutineers for the supervisions

¹ The Company holds equity positions in five (5) private companies. Tribalscale has provided the Monitor with financial statements and certain other information related to these investments. The balance sheets provided for these companies indicate limited asset value asides from the intangible assets/intellectual property. The Monitor notes that it does not possess sufficient information on which to carry out a valuation of these intangibles and intellectual property and/or Tribalscale's interest in these companies. The Monitor is also of the view that such a valuation is beyond the scope of its mandate. Accordingly, in comparing the RSA with a liquidation in bankruptcy, the Monitor has not considered the value these investments may produce, if any, in the event of a liquidation

and tabulation of the attendance, quorum and votes cast. The Monitor may also designate an individual to act as the Secretary at the Meeting;

- c. In addition to the Chair, the Scrutineers and the Secretary, the only persons entitled to attend the Meeting are the Affected Secured Creditors, the Monitor, the Applicant, and their respective legal counsel and financial advisors.
- d. For the purposes of voting at the Meeting:
 - i. the Chair will direct a vote on the resolution to approve the Plan (the “**Plan Resolution**”) and any amendments or variations thereto as the Monitor and the Applicant may consider appropriate;
 - ii. the quorum required at the Meeting will be one representative of each Affected Secured Creditor, present in person or by Proxy, with the Meeting Order deeming BDC to have voted in favour of the Plan; and
 - iii. an Affected Secured Creditor will be permitted to attend the Creditors’ Meeting in person or by Proxy, in accordance with the process contemplated by the Meeting Order.
- e. The Meeting may be adjourned to such date, time and place as may be designated by the Monitor, if prior to, or during the Meeting, the Monitor, in consultation with the Company, decides to adjourn the Meeting.
- f. Subject to the Meeting Order being granted, the Monitor will:
 - i. provide an electronic copy of Notice of Meeting, the Plan, the Meeting Order, and the Proxy (collectively, the “**Voting Package**”) to each Affected Secured Creditor;

- ii. forthwith post an electronic copy of the Voting Package to the Case Website; and
- iii. no later than one Business Day before the Meeting, the Monitor will also serve a report regarding the Plan on the Service List and cause such report to be posted on the Case Website.
- g. In the Monitor's view, the proposed Meeting Order provides a comprehensive process to facilitate the Meeting and the advancement of the Plan. The Monitor is also of the view that the notice provisions provided in the Plan are fair and reasonable in the circumstances. The provision deeming BDC to have voted in favour of the Plan is fair and reasonable considering BDC is being paid out as part of the Plan.

X. COURT APPROVAL OF THE PLAN

- 34. The Monitor understands that the Company has scheduled the motion (the "**Sanction Order Motion**") for the Sanction Order for December 3, 2020.
- 35. Prior to the Sanction Order Motion, the Monitor will file a further report to Court updating the Court on the results of the voting on the Plan and Monitor's recommendations related to the sanctioning of the Plan.

XI. CONCLUSION AND RECOMMENDATION

- 36. Based on the foregoing, the Monitor respectfully recommends that the Court make an order granting the relief detailed in paragraph 9.

All of which is respectfully submitted on this 24th day of November 2020.

MNP LTD.,

in its capacity as Court Appointed Monitor of
Tribalscale Inc.

and not in its personal or corporate capacity

Per:

A handwritten signature in black ink, appearing to read 'Sheldon Title', written over a horizontal line.

Sheldon Title

Licensed Insolvency Trustee

Court No.: CV-20-00645116-00CL

**IN THE MATTER OF THE CCAA PROCEEDINGS OF TRIBALSCALE INC.,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

***ONTARIO*
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)**

**SECOND REPORT TO THE COURT SUBMITTED BY MNP
LTD., IN ITS CAPACITY
AS COURT APPOINTED MONITOR OF
TRIBALSCALE INC.**

MNP LTD.
300-111 Richmond Street West
Toronto, ON M5H 2G4

Sheldon Title
Tel: (416) 263-6945
Fax: (416) 323-5242
Email: sheldon.title@mnp.ca

Exhibit “D”

Tribalscale Inc.
Projected cash flows
For the period ended January 31, 2021

Currency: CAD	Week 21	Week 22	Week 23	Week 24	Week 25	Week 26	Week 27	Week 28	Week 29	Week 30	Week 31	Week 32	Week 33	Week 34	Week 35	Week 36
Week beginning October 12 2020	12-Oct-20	19-Oct-20	26-Oct-20	2-Nov-20	9-Nov-20	16-Nov-20	23-Nov-20	30-Nov-20	7-Dec-20	14-Dec-20	21-Dec-20	28-Dec-20	4-Jan-21	11-Jan-21	18-Jan-21	25-Jan-21
Opening cash balance	2,132,722	2,143,712	2,012,249	2,221,570	1,993,371	1,993,371	1,876,884	1,849,015	2,062,730	1,828,886	1,794,198	1,658,006	1,985,304	1,889,106	1,887,077	1,742,429
Receipts																
Collection from new sales	-	-	151,037	-	-	20,009	-	135,736	-	-	-	312,008	149,800	-	-	223,168
Sale of Equipment and Fixture	15,490	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wage subsidy	-	-	92,112	-	-	-	-	88,080	-	-	-	65,024	-	-	-	-
Total receipts	15,490	-	243,149	-	-	20,009	-	223,816	-	-	-	377,032	149,800	-	-	223,168
Disbursements																
Pre-NOI expenses	-	4,876	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll (including taxes)	-	109,092	-	132,367	-	116,336	-	-	133,612	1,429	122,133	-	142,096	1,429	125,088	-
Accounting expenses	-	13,560	-	13,560	-	13,560	-	-	19,560	-	13,560	-	21,560	-	13,560	-
Operating and other miscellaneous expenses	4,500	3,935	11,600	12,272	-	6,600	-	10,100	10,672	100	500	16,100	12,342	600	6,000	10,100
Repayment of BDC loan	-	-	-	-	-	-	-	-	-	29,120	-	-	-	-	-	4,160
Interest on BDC loan	-	-	-	-	-	-	-	-	-	4,039	-	-	-	-	-	577
Administrative fees	-	-	-	70,000	-	-	-	-	70,000	-	-	10,000	70,000	-	-	-
HST payments	-	-	22,228	-	-	-	27,869	-	-	-	-	23,634	-	-	-	20,620
Total disbursements	4,500	131,463	33,828	228,199	-	136,496	27,869	10,100	233,844	34,688	136,193	49,734	245,998	2,029	144,648	35,457
Net Cash flow (Receipts less disbursements)	10,990	(131,463)	209,321	(228,199)	-	(116,487)	(27,869)	213,716	(233,844)	(34,688)	(136,193)	327,298	(96,198)	(2,029)	(144,648)	187,711
Closing cash balance	2,143,712	2,012,249	2,221,570	1,993,371	1,993,371	1,876,884	1,849,015	2,062,730	1,828,886	1,794,198	1,658,006	1,985,304	1,889,106	1,887,077	1,742,429	1,930,140

Disclaimer

- 1) In preparing the Statement of Second Revised Cash Flow Projections (the “**Cash Flow Projection**”), Tribalscale Inc. (the “**Company**”) has relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. Since the Cash Flow Projection is based on assumptions about future events and conditions that are not ascertainable, actual results achieved during the period of the Cash Flow Projection will vary from the Cash Flow Projection, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

Overview

- 2) The Cash Flow Projections, covering the period October 12, 2020 to January 31, 2021 (the “**Revised Extended Projection Period**”) includes the receipts and disbursements of the Company during the Revised Extended Projection Period. The Company, with the assistance of MNP Ltd., in its capacity as Monitor under the CCAA Proceedings, has prepared the Cash Flow Projection based primarily on estimated receipts and disbursements related to the CCAA Proceedings.

The Cash Flow Projection of the Company includes the following assumptions:

Hypothetical Assumptions

1. In developing the Statement of Second Revised Cash Flow Projections, Management has reflected its current view of the potential impact of the COVID-19 pandemic on its cash flow. However, the ongoing uncertainty and instability caused by COVID-19 pandemic and various government regulatory actions may cause actual results to differ from the projected amounts and these variations may be material.

Probable Assumptions

1. Sales are based on Management’s best estimate and is dependent on provision of services during the Revised Extended Projection Period pursuant to statements of work (“**SOW**”) entered into between the Company and its customers.
2. The Company has five active contracts, three of which were signed in September/October 2020. Receipts from customers comprises collections accruing from such contracts amounting to \$991M. The average forecasted collection time is 60-75 days from the date of invoicing. The collections are dependent on successful completion of milestones as per the Master Consulting Agreements and SOWs.
3. Total accounts receivables as at October 9, 2020 are approximately \$1.076MM of which the Company considers \$760M to be doubtful. For the purpose of preparing the Cash Flow Projection, the Company has assumed that any collection from doubtful accounts receivable will occur after the Revised Extended Projection Period.

4. Tribalscale recently advertised its redundant fixed assets comprising computer hardware, and furniture and fixtures, having a net book value of approximately \$113M via online platforms such as Kijiji and Facebook marketplace and have collected \$15.5M during October 2020 which is reflected in the Second Revised Cash Flow Projections. These assets were stored in a warehouse located in Whitby, Ontario since the Company's office lease was terminated in May 2020.
5. The Company had received benefits of Canada Emergency Wage Subsidy ("CEWS") for the respective pay periods through September 2020. The Company has assumed that it remains eligible to receive CEWS benefits during the Revised Extended Projection Period. However, due to a revision in the parameters of the CEWS program and impending clarity on certain issues, the Company has been conservative in their assumptions and considered a reduction in the percentage of subsidy based on the best information available.
6. Pre-NOI expense payments includes the Receivable Policy premiums amounting to approximately \$4.8M.
7. Payroll expenses includes payments to be made to employees in Canada and an employee and consultants in the United States. The Company had reduced certain salaries with effect from April 16, 2020, to respond the impact of the COVID-19 pandemic and as a cost-saving measure related to its restructuring. Subject to its receiving certain new contracts, the Company assumes it will phase in the return to full salary levels by increasing the reduced salaries by 25% each month from November 2020 through February 2021. The total impact of the reinstatement during the Revised Extended Projection Period is \$53M.
8. Accounting and Operating expenses are assumed to be paid on a current basis and include accounting expenses of \$95M payable to Xxact Inc., who provide back office support for the Company, cost of technical and sales tools of approximately \$44.5M and other related expenses.
9. Administrative fees include charges for Company's counsel, the Monitor's fees and expenses, including the fees and disbursements of the Monitor's independent legal counsel.
10. Other disbursements are based on management's best estimates.
11. No provision for income taxes has been made.
12. Monthly interest and repayment on BDC Lease Loan have been considered as per the terms of the executed agreement with BDC. BDC stopped automatic withdrawals of principal and interest payments upon filing of NOI by the Company in May 2020. Hence, the Company has also assumed deferred amount of principal and interest payments in their projections.

Dated at the City of Toronto in the Province of Ontario, this 27th day of October 2020.

MNP Ltd. - Licensed Insolvency Trustee



300 - 111 Richmond Street West

Toronto ON M5H 2G4

Phone: (416) 596-1711 Fax: (416) 323-5242

Exhibit “E”

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF TRIBALSCALE INC**

Minutes of the Affected Secured Creditors

Date of Meeting: January 5, 2021

Time: 4 PM

Location: Virtual (Zoom)

Chairperson: Sheldon Title, MNP Ltd.

Attendance: Sheldon Title

Pat Corney, representing Tribalscale Inc. ("**Tribalscale**" or the "**Company**")

Mario Forte, proxy for 1924191 Ontario Inc. ("**192**")

Quorum: 192 was present at the meeting by Proxy, and accordingly, a quorum was established in accordance with the Meeting Order, dated November 25, 2020.

Call to Order: The chairperson determined that the meeting was legally constituted and called the meeting to order.

Purpose of the Meeting: To consider and vote on Tribalscale's plan of compromise and arrangement of the Applicant dated November 22, 2020 (as amended on January 4, 2021) (the "**Plan**").

Classes: For the purposes of considering and voting on the Plan and in accordance with the Meeting Order, the Affected Secured Creditors, as such term is defined in the Plan, will be classified into two classes: (a) one class of creditors (the "**Converting Secured Creditor Class**") consisting of 192; and (b) one class of creditors consisting of Business Development Bank of Canada ("**BDC**") (the "**Paid-Out Secured Creditor Class**").

The Chair indicated that a vote of the Affected Secured Creditors would be taken with respect to the following resolution (the "**Resolution**"):

BE IT RESOLVED THAT:

1. The Plan, which Plan has been presented to this meeting (as such Plan may be amended, restated, supplemented and/or modified as provided for in the Plan), be and it is hereby accepted, approved, agreed to and authorized; and
2. one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company (whether under its respective corporate seal or otherwise), to execute and deliver, or cause to be executed and delivered, any and all documents and instruments and to take or cause to be taken such other actions as he or she may deem necessary or desirable to implement this resolution and the matters authorized hereby, including the transactions required by the Plan, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the taking of any such actions.

Vote: After discussion, 192, the sole member of the Converting Secured Creditor Class, approved the Resolution. In accordance with the Meeting Order, BDC was deemed to have voted in favour of the Plan such that the required majority vote of the Paid-Out Secured Creditor Class was obtained. The Chair advised that the Plan has been approved by each of the two cases of Affected Secured Creditors and was now subject to sanctioning.

The Plan Sanctioning Hearing is scheduled for January 11, 2021.

There being no further business, the meeting was terminated.

Dated this 9th day of January 2021