



COURT FILE NUMBER  
COURT  
JUDICIAL CENTRE OF

2401-05179  
COURT OF KING'S BENCH OF ALBERTA  
CALGARY

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  
ALPHABOW ENERGY LTD.

DOCUMENT

**ORDER APPROVING SALE AND**  
**INVESTMENT SOLICITATION PROCESS**  
**& SEALING ORDER**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT:

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2nd Street S.W.  
Calgary, Alberta T2P 4K7

Attention: Keely Cameron/ Sarah Aaron  
Telephone No.: 403-298-3324/3177  
Fax No.: 403-265-7219  
Client File No.: 88323.6

**DATE ON WHICH ORDER WAS  
PRONOUNCED:**

April 26, 2024

**NAME OF JUDGE WHO MADE  
THIS ORDER:**

The Honourable Justice M. J. Lema

**LOCATION OF HEARING:**

Edmonton Law Courts  
1A Sir Winston Churchill Square Edmonton, AB  
T5J 0R2

**UPON** the application of AlphaBow Energy Ltd. (the "**Applicant**" or "**AlphaBow**"); **AND UPON** having read the Application for an Amended and Restated Initial Order, the Affidavit of Ben Li sworn on April 15, 2024 (the "**Li Affidavit**"), the Affidavit of Service of Stephanie Dumoulin sworn April 25, 2024, First Report of the Proposal Trustee and Pre-Filing Report of the Proposed Monitor dated April 19, 2024 (the "**Pre-Filing Report**"); **AND UPON** hearing counsel for the Applicant, and any other interested parties appearing at the application;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

1. The time for service of the notice of application for this order (the "**Order**") together with all supporting materials is hereby deemed good and sufficient and this application is properly returnable today.

**APPROVAL OF SALE AND INVESTMENT SOLICITATION PROCESS**

2. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the sales and investment solicitation process attached hereto as Appendix "A" ("**SISP**").
3. The SISP is approved. The Monitor and the Sales Agent (as defined below) are authorized and directed to perform their respective obligations and to do all things reasonably necessary to perform their obligations under the SISP.

**SALES AGENT**

4. Sayer Energy Advisors is appointed as Sales Agent to carry out the SISP in cooperation with the Monitor. The Engagement Letter as set out in the Confidential Appendix "H" to the Pre-Filing Report is approved.
5. Neither the Monitor nor the Sales Agent shall have any liability whatsoever to any person or party for any act or omission related to the SISP, except to the extent such act or omission is the result of gross negligent or wilful misconduct of the Monitor or Sales Advisor.

**CARBON CREDIT MARKETING AND SALE**

6. AlphaBow may continue to market and sell its carbon credits through STROM Futures, or such further broker as the Monitor shall approve.

## SEALING ORDER

7. The Confidential Appendices "H", "I" and "J" to the Pre-Filing Report shall be sealed on the Court file and shall not form part of the public record.
8. AlphaBow is empowered and authorized, but not directed, to provide the Confidential Appendices or any portion thereof to any interested entity or person that it, along with the Monitor, considers reasonable in the circumstances, subject to confidentiality arrangements satisfactory to AlphaBow and the Monitor.
9. The Clerk of the Court shall file the Confidential Appendices in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED IN  
COURT FILE NO. 2401-05179 PURSUANT TO THE SEALING ORDER ISSUED  
BY THE HONOURABLE JUSTICE M. J. LEMA ON APRIL 26, 2024.

10. Confidential Appendices "I" and "J" shall become available for public inspections upon conclusion of the sales process, unless and until an application is made to modify or vary this Order pursuant to paragraph 11 hereof.
11. Leave is hereby granted to any person, entity or party affected by this sealing order to apply to this Court for a further order vacating, substituting, modifying or varying the terms of this Order, with such application to be brought on not less than 7 days' notice to the Monitor and any other affected party pursuant to the Alberta Rules of Court, Alta Reg 124/2010 and this Order.

## MISCELLANEOUS MATTERS

12. Service of this Order shall be deemed good and sufficient by serving the same by posting a copy of this Order on the Monitor's website at: [www.ksvadvisory.com/experience/case/alphabow](http://www.ksvadvisory.com/experience/case/alphabow).

  
\_\_\_\_\_  
Justice of the Court of King's Bench of Alberta

**Appendix "A"**  
**SALE AND INVESTMENT SOLICITATION PROCESS**  
**AlphaBow Energy Ltd.**

**INTRODUCTION**

On March 28, 2024, AlphaBow Energy Ltd. ("**AlphaBow**" or the "**Company**") filed with the Alberta Court of King's Bench (the "**Court**") and the Office of the Superintendent of Bankruptcy a Notice of Intention to make a Proposal under Part III of the *Bankruptcy and Insolvency Act*, 1985, c. B-3 (the "**BIA**").

On April [●], 2024, the Alberta Court of King's Bench (the "**Court**") granted an Initial Order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, 1985, c C-36 ("**CCAA**"), among other things, appointing KSV Restructuring Inc. ("**KSV**") as the monitor (the "**Monitor**") of AlphaBow.

On April [●], 2024, the Court granted an amended and restated initial order (the "**ARIO**").

On April [●], 2024, the Court granted an order (the "**SISP Approval Order**") which, among other things, directed and empowered AlphaBow and the Sales Advisor (as defined below), in consultation with the Monitor to prepare and conduct a strategic sales and investment solicitation process ("**SISP**") to solicit offers for the Business or Property of AlphaBow, in whole or in part, or investments related thereto. Capitalized terms not defined herein shall have the meaning ascribed to them in the ARIO.

The SISP Approval Order and this SISP shall exclusively govern the process for soliciting and selecting bids for the sale of all, substantially all, or one or more portions of AlphaBow's Business or Property, or for the restructuring, recapitalization or refinancing of AlphaBow and AlphaBow's Business. Under the SISP, all qualified interested parties will be provided with an opportunity to participate in the SISP.

This document outlines the SISP, which is comprised principally of three stages: pre-marketing, marketing, and offering/evaluation.

**OPPORTUNITY AND SISP SUMMARY**

1. The SISP is intended to solicit interest in, and opportunities for a sale of, or investment in, all or part of AlphaBow's Property or Business (the "**Opportunity**"), which primarily consists of oil and gas producing assets and facilities and a carbon capture, utilization and storage facility in Alberta, Canada.
2. In order to maximize the number of participants that may have an interest in the Opportunity, the SISP will provide for the solicitation of interest for:
  - (a) the sale of AlphaBow's interests in the Property. In particular, interested parties may submit proposals to acquire all, substantially all or a portion of AlphaBow's Property (a "**Sale Proposal**"); or

- (b) an investment in the Business, which may include one or more of the following: a restructuring, recapitalization or other form of reorganization of the Business and affairs of AlphaBow as a going concern, together with a plan of compromise or arrangement pursuant to the CCAA (an "**Investment Proposal**").
3. Except to the extent otherwise set forth in a definitive sale or investment agreement with a Successful Bidder (as defined below), any Sale Proposal or any Investment Proposal will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Sales Advisor, the Monitor or AlphaBow, or any of their respective affiliates, agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of AlphaBow in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders.
  4. Solicitation of interest for Sale Proposals and Investment Proposals will be on an unpriced basis whereby no set asking price will be stipulated.
  5. This SISP shall be conducted by the Monitor, with the assistance of Sayer Energy Advisors as sales advisor (the "**Sales Advisor**") in consultation with AlphaBow.
  6. As described more fully in this SISP, the major stages in the within procedure will be comprised of the following:
    - (a) Pre-Marketing: preparation of all marketing material, assembly of all relevant due diligence material, establishment of an electronic data;
    - (b) Marketing: advertising, contacting potential buyers/investors, responding to requests for information and disseminating marketing material to potential buyers and investors; and
    - (c) Offer Submission and Evaluation: solicitation, receipt of, evaluation and negotiation of offers from potential buyers and investors, as described below.
  7. The offer submission and evaluation stage of the SISP will be comprised of a two phase offering process: "**Phase 1**" being the submission of letters of intent ("**LOIs**") from qualified bidders, and "**Phase 2**" being the submission of formal binding offers from those parties that submitted LOIs and that have been invited by the Sales Advisor and the Monitor, in consultation with AlphaBow, to participate in Phase 2 (defined below as Phase 1 Qualified Bidders).

## **KEY CONSIDERATIONS AND CONDITIONS OF BIDS**

8. Due to certain positions which have been taken by the Alberta Energy Regulator (the "**AER**") with respect AlphaBow and its Business and Property, in assessing all bids submitted under the SISP, the Company and the Sales Advisor, in consultation with Monitor, will be focused on entering into one or more transactions that will result in all assets and liabilities of AlphaBow being transferred or otherwise addressed, with no assets or liabilities remaining with the Orphan Well Association (the "**OWA**").

9. If an Investment Proposal or any Sales Proposal is conditional on the bidder acquiring a certain threshold of assets or assumed liabilities, the bidders must clearly state these conditions and thresholds in the context of their bids.
10. In determining whether a bid or bids will be successful, the Sales Advisor and the Monitor, in consultation with AlphaBow, will review each of the bids, together with any potential backstopping bid or bids to determine whether the bid(s), taken as a whole, will meet the criteria of transferring, or otherwise addressing all of the assets and liabilities of AlphaBow, without any such assets or liabilities being transferred to the OWA. The Company and the Sales Advisor, with the consent of the Monitor, reserve the right to accept or reject any bid, or any portion thereof, in order to achieve this overriding objective of the SISP.

## TIMELINE

11. The Sales Advisor, in consultation with the Monitor and AlphaBow, shall commence the within SISP on or before May 1, 2024 (such time being referred to herein as the "**Commencement Date**"). As soon as reasonably practicable following the Commencement Date, the Monitor shall publish on its website established with respect to AlphaBow's CCAA proceedings, a timeline of the key milestones set out below setting out the specific dates of the respective milestones. Furthermore, the Sales Advisor shall publish the timeline in the Teaser Letter, referenced below.
12. The following table sets out the key milestones under the SISP:

<b>Milestone</b>	<b>Deadline</b>
Commencement Date	On or before May 1, 2024
Marketing Stage: Publication of Notice & Sending Teaser Letter to Known Potential Bidders	On or before May 17, 2024
Phase 1 Non-Binding LOI Deadline	June 27, 2024
Phase 2 Binding Bid Deadline	August 22, 2024

## PRE-MARKETING STAGE

13. Prior to the Commencement Date:
  - (a) the Sales Advisor, in consultation with the Monitor and AlphaBow, will prepare: (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; (ii) a non-disclosure agreement with the Monitor and AlphaBow (an "**NDA**"); and (iii) a confidential Information Memorandum ("**CIM**"). The Teaser Letter, NDA and CIM shall be in form and substance satisfactory to the Monitor, in consultation with AlphaBow. The CIM will specifically stipulate that the Sales Advisor, the Monitor, AlphaBow and each of their respective advisors make no representation or warranty as to the accuracy or

completeness of the information contained in the CIM, the Data Room (as defined below), or made available pursuant to the SISP or otherwise, except to the extent expressly contemplated in any definitive sale or investment agreement with a Successful Bidder (as defined below) ultimately executed and delivered by AlphaBow and/or the Monitor;

- (b) the Sales Advisor, with the assistance of AlphaBow and the Monitor, will gather and review all required due diligence material to be provided to interested parties and shall establish a secure, electronic data room (the "**Data Room**"), which will be maintained and administered by the Sales Advisor during the SISP; and
- (c) AlphaBow and the Monitor will develop a draft form of LOI ("**LOI Form**") and a purchase and sale agreement or investment agreement for use during the SISP.

## MARKETING STAGE

14. As soon as reasonably possible after the Commencement Date, the Sales Advisor shall:
  - (a) arrange for a notice of the SISP (and such other relevant information as the Sales Advisor, in consultation with AlphaBow and the Monitor, considers appropriate) (the "**Notice**") to be published in the BOE Report, the Daily Oil Bulletin [NTD: Consider BOE Report] , the website of the Monitor and any other newspaper or journals as the Sales Advisor, in consultation with AlphaBow and the Monitor, considers appropriate, if any; and
  - (b) send the Teaser Letter and NDA to all parties that have approached the Sales Advisor, the Monitor or AlphaBow indicating an interest in the Opportunity; and (ii) local, national and international strategic and financial parties who the Sales Advisor believe may be interested in purchasing all or part of the Business and Property or investing in AlphaBow pursuant to the SISP (collectively, "**Known Potential Bidders**"), and to any other party who responds to the Notice as soon as reasonably practicable after such identification or request, as applicable.
15. The Sales Advisor will send the CIM and grant access to the Data Room to those parties who have executed and delivered the NDA to the Sales Advisor as soon as reasonably practicable after such execution and delivery.
16. Requests for information and access to the Data Room will be directed to the Sales Advisor, to the attention of the persons listed in Schedule "A" hereto. All printed information shall remain the property of AlphaBow and, if requested by the Sales Advisor, shall be returned without further copies being made and/or destroyed with an acknowledgement that all such material has either been returned and/or destroyed and no electronic information has been retained.
17. Any party who expresses a desire to participate in the SISP (a "**Potential Bidder**") must, prior to being given any additional information such as the CIM and access to the Data Room, provide to the Sales Advisor an NDA executed by it, and which shall inure to the benefit of any ultimate Successful Bidder.

18. If a Potential Bidder has delivered the NDA and a Qualified LOI (as defined below) that is satisfactory to the Sales Advisor, acting reasonably, then such Potential Bidder will be deemed to be a "**Phase 1 Qualified Bidder**". No Potential Bidder shall be deemed not to be a Phase 1 Qualified Bidder without the approval of the Monitor.

## **OFFER SUBMISSION AND EVALUATION STAGE**

### **Phase 1**

#### ***Due Diligence***

19. The Sales Advisor in consultation the Monitor and AlphaBow, and subject to competitive and other business considerations, will afford each Phase 1 Qualified Bidder such access to due diligence materials through the Data Room and information relating to the Property and Business as it deems appropriate. Due diligence access may further include management presentations with participation of the Sales Advisor or the Monitor where appropriate, on-site inspections, and other matters which a Phase 1 Qualified Bidder may reasonably request and to which the Sales Advisor, in its reasonable business judgment, may agree. The Sales Advisor, the Monitor and AlphaBow will each designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders and the manner in which such requests must be communicated. None of the Sales Advisor, the Monitor or AlphaBow will be obligated to furnish any information relating to the Property or Business to any person other than to Phase 1 Qualified Bidders. Further and for the avoidance of doubt, selected due diligence materials may be withheld from certain Phase 1 Qualified Bidders if the Sales Advisor, in consultation with the Monitor and AlphaBow, determines such information to represent proprietary or competitively sensitive information.

#### ***LOI Submission***

20. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they ultimately enter into with AlphaBow.
21. A Phase 1 Qualified Bidder who wishes to pursue the Opportunity further must deliver an executed LOI, identifying each specific Property or Business the Phase 1 Qualified Bidder is interested in, to the Sales Advisor at the addresses specified in Schedule "A" hereto (including by email or fax transmission), so as to be received by them not later than 12:00 PM (Calgary time) on or before June 27, 2024 (the "**Phase 1 Bid Deadline**").
22. An LOI so submitted will be considered a qualified LOI (a "**Qualified LOI**") only if:
  - (a) it is submitted on or before the relevant Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;
  - (b) it contains a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals and direct and indirect beneficial owners of the Potential Bidder



- (c) it contains an indication of whether the Phase 1 Qualified Bidder is making a:
  - (i) Sale Proposal; or
  - (ii) an Investment Proposal;
- (d) in the case of a Sale Proposal, it identifies or contains the following:
  - (i) the purchase price, in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation;
  - (ii) a description of each Property that is expected to be subject to the transaction and any of the Property or obligations for each Property expected to be excluded;
  - (iii) a specific indication of the financial capability, together with evidence of such capability, of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction;
  - (iv) a description of the approvals required for a final and binding offer;
  - (v) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose including any asset and liability thresholds that must be met for the Phase 1 Qualified Bidder to submit a final and binding offer;
  - (vi) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and
  - (vii) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;
- (e) in the case of an Investment Proposal, it identifies the following:
  - (i) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment in the Business;
  - (ii) the aggregate amount of the equity and/or debt investment to be made in the Business or AlphaBow in Canadian dollars;
  - (iii) the underlying assumptions regarding the *pro forma* capital structure;
  - (iv) a specific indication of the sources of capital for the Phase 1 Qualified Bidder and the structure and financing of the transaction;
  - (v) a description of the approvals required for a final and binding offer;

- (vi) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose including any asset and liability thresholds that must be met for the Phase 1 Qualified Bidder to submit a final and binding offer;
  - (vii) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose;
  - (viii) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and
  - (ix) any other terms or conditions of the Investment Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;
- (f) in the case of a Sale Proposal, it contains a statement that the Phase 1 Qualified Bidder meets all eligibility requirements of governmental authorities to purchase and accept a transfer of the Property, including without limiting the generality of the foregoing, the eligibility requirements of the AER under *Directive 067*, *Directive 088* and *Manual 023: Licensee Life-Cycle Management*, as the same may be applicable to the Phase 1 Qualified Bidder; and
- (g) in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by the Sales Advisor or the Monitor from time to time.
23. The Sales Advisor, in consultation with the Monitor and AlphaBow, may waive compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified LOI. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

***Preliminary Assessment of Phase 1 Bids and Subsequent Process***

24. Following the Phase 1 Bid Deadline, the Sales Advisor will assess the Qualified LOIs with respect to the Property or Business in consultation with the Monitor and AlphaBow. If it is determined by the Sales Advisor that a Phase 1 Qualified Bidder that has submitted a Qualified LOI: (i) has a *bona fide* interest in completing a Sale Proposal or Investment Proposal (as the case may be); and (ii) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial information provided; then such Phase 1 Qualified Bidder will be deemed to be a "**Phase 2 Qualified Bidder**", provided that the Sales Advisor may, in its judgment but with the consent of the Monitor, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some Phase 1 Qualified Bidders from the process). Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP.
25. The Sales Advisor, in consultation with the Monitor and AlphaBow, will prepare a bid process letter for Phase 2 (the "**Bid Process Letter**"), which will include a draft purchase and sale agreement or investment agreement (a "**Draft Purchase/Investment**

**Agreement")** which will be made available in the Data Room, and the Bid Process Letter and will be sent to all Phase 2 Qualified Bidders who are invited to participate in Phase 2.

## **Phase 2: Formal Offers and Selection of Successful Bidder**

### ***Formal Binding Offers***

26. Phase 2 Qualified Bidders that wish to make a formal Sale Proposal or an Investment Proposal shall submit to the Sales Advisor a sealed binding offer that complies with all of the following requirements at the addresses specified in Schedule "A" hereto (including by email or fax transmission), so as to be received by the Sales Advisor not later than 12:00 PM (Calgary time) on or before August 22, 2024, or such other date and time as may be modified in the Bid Process Letter (the "**Phase 2 Bid Deadline**"):
- (a) the bid shall comply with all of the requirements set forth in respect of Phase 1 Qualified LOIs;
  - (b) cash is the preferred form of consideration, but if the bid utilizes other consideration, a description of the material terms of the consideration shall be provided;
  - (c) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Property or Business on terms and conditions reasonably acceptable to AlphaBow, in consultation with the Monitor and the Sales Advisor;
  - (d) unless otherwise agreed, the bid shall take the form of the Draft Purchase/Investment Agreement (with a blackline showing any changes) and shall include a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until Court approval of a Successful Bidder (as defined below), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with such Successful Bidder;
  - (e) the bid includes duly authorized and executed transaction agreements as listed in the Draft Purchase/Investment Agreement; including, but not limited to, the purchase price, investment amount, or a combination thereof and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto, and the name or names of the ultimate direct or indirect beneficial owner(s) of the Phase 2 Qualified Bidder including their respective percentage interests;
  - (f) to the extent that a bid is conditional upon new or amended agreements being entered into with other parties, or existing agreements terminated, the interested parties shall provide the proposed terms of such terminated, amended or new agreements and identify how such agreements may differ from existing agreements to which AlphaBow may be a party. A Phase 2 Qualified Bidder's willingness to proceed without such conditions and, where such conditions are included in the bid, the likelihood of satisfying such conditions shall be an important factor in evaluating the bid;

- (g) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, including the timetable for obtaining financing and, if appropriate, the amount of senior debt, subordinated debt, equity and other source of financing contemplated in the *pro forma* capital structure that will allow the Sales Advisor to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
- (h) the bid should identify any threshold of assets to be acquired or liabilities to be assumed as a condition to proceeding to close a transaction;
- (i) the bid should not be conditional on the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or competitively sensitive information which was withheld in Phase 2 from the Phase 2 Qualified Bidder;
- (j) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;
- (k) for a Sale Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a refundable deposit in the amount of not less than 10% of the purchase price offered upon the Phase 2 Qualified Bidder being selected as the Successful Bidder, which shall be paid to "KSV Restructuring Inc. in trust" (the "**Deposit**"). One half of the Deposit shall be paid to "KSV Restructuring Inc. in trust" upon the submission of the Phase 2 Qualified Bidder's Phase 2 Bid. The second half of the Deposit shall be submitted upon the Phase 2 Qualified Bidder being selected as the Successful Bidder. The Successful Bidder's Deposit shall be applied as against the Purchase Price and all other Deposits submitted by Phase 2 Qualified Bidders who are not selected as the Successful Bidder shall be returned within five (5) business days of obtaining Court approval of the Successful Bid;
- (l) for an Investment Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a refundable deposit in the amount of not less than 10% of the total new investment contemplated in the bid upon the Phase 2 Qualified Bidder being selected as the Successful Bidder, which shall be paid to "KSV Restructuring Inc. in trust". One half of the Deposit shall be paid to "KSV Restructuring Inc. in trust" upon the submission of the Phase 2 Qualified Bidder's Phase 2 Bid. The second half of the Deposit shall be submitted upon the Phase 2 Qualified Bidder being selected as the Successful Bidder. The Successful Bidder's Deposit shall be applied as against the Purchase Price and all other Deposits submitted by Phase 2 Qualified Bidders who are not selected as the Successful Bidder shall be returned within five (5) business days of obtaining Court approval for the Successful Bid;
- (m) the bid includes acknowledgments and representations of the Phase 2 Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property, Business and AlphaBow prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or competitively sensitive information which was withheld in

Phase 2 from the Phase 2 Qualified Bidder); (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever made by the Sales Advisor, the Monitor or AlphaBow, whether express, implied, statutory or otherwise, regarding the Business, Property or AlphaBow, or the accuracy or completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by AlphaBow;

- (n) all required corporate approvals of the Phase 2 Qualified Bidder will have been obtained prior to the submission of the bid;
  - (o) the bid shall identify any material conditions in favour of the purchaser to be resolved prior to closing the transaction;
  - (p) the bid is received by the relevant Phase 2 Bid Deadline; and
  - (q) the bid contemplates Court approval.
27. Following the Phase 2 Bid Deadline, the Sales Advisor will assess the Phase 2 Bids received with respect to the Property or Business, in consultation with the Monitor and AlphaBow. The Sales Advisor, in consultation with the Monitor will designate the most competitive bids that comply with the foregoing requirements to be "**Phase 2 Qualified Bids**". Only Phase 2 Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
28. The Sales Advisor, in consultation with the Monitor and AlphaBow, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Phase 2 Qualified Bid.
29. The Sales Advisor, in consultation with the Monitor and AlphaBow, shall notify each Phase 2 Qualified Bidder in writing as to whether its bid constituted a Phase 2 Qualified Bid within ten (10) business days of the Phase 2 Bid Deadline, or at such later time as the Monitor deems appropriate.
30. If the Sales Advisor is not satisfied with the number or terms of the Phase 2 Qualified Bids, the Sales Advisor, in consultation with the Monitor and AlphaBow, may extend the Phase 2 Bid Deadline without Court approval.
31. The Sales Advisor with the consent of the Monitor may terminate further participation in the Phase 2 Bid Process by any Qualified Phase 2 Bidder, or modify dates or procedures in this SISP as deemed appropriate or necessary, or terminate the process altogether.
32. The Sales Advisor, in consultation with the Monitor and AlphaBow, may aggregate separate bids from unaffiliated Phase 2 Qualified Bidders to create one or more Phase 2 Qualified Bid(s).

### ***Evaluation of Competing Bids***

33. A Phase 2 Qualified Bid will be evaluated based upon several factors, including, without

limitation, items such as the Purchase Price and the net value and form of consideration to be paid pursuant to such bid (including the extent of value available to creditors of AlphaBow), the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions, including any conditions attached to the bid and the expected feasibility of such conditions, the proposed transaction documents, factors affecting the speed, certainty and value of the transaction, the assets included or excluded from the bid, any related restructuring costs, compliance or eligibility with respect to AER requirements, the likelihood and timing of consummating such transactions, and the ability of the bidder to finance and ultimately consummate the proposed transaction within the timeline established by the Sales Advisor, in consultation with the Monitor and AlphaBow.

### ***Selection of Successful Bids***

34. The Sales Advisor, in consultation with the Monitor and AlphaBow, may review and evaluate any or all Phase 2 Qualified Bids with the applicable Phase 2 Qualified Bidders, and such Phase 2 Qualified Bids may be amended, modified or varied as a result of such negotiations.
35. The Sales Advisor, in consultation with the Monitor and AlphaBow, will identify the highest or otherwise best bid or bids, including an assessment of the bid(s) to determine whether the bids, or any combination thereof, will allow AlphaBow to achieve its objective of addressing or disposing of all of its assets and liabilities without any such assets or liabilities remaining with the OWA (each, a "**Successful Bid**"), and the Phase 2 Qualified Bidder making such Successful Bid (the "**Successful Bidder**") for any particular Property or the Business in whole or part. The determination of any Successful Bid by the Sales Advisor, in consultation with the Monitor and AlphaBow shall be subject to approval by the Court.
36. The Sales Advisor shall notify the Successful Bidder or Successful Bidders, as the case may be, that their bids constituted the Successful Bid or Bids within ten (10) business days of the date they were notified that their bids constituted Phase 2 Qualified Bids, or at such later time as the Sales Advisor deems appropriate, in consultation with the Monitor and AlphaBow.
37. AlphaBow shall have no obligation to select a Successful Bid, and the Sales Advisor, in consultation with the Monitor and AlphaBow, reserves the right to reject any or all Phase 2 Qualified Bids. Further, AlphaBow shall have no obligation to enter into a definitive agreement with a Phase 2 Qualified Bidder.

### ***Sale Approval Hearing***

38. AlphaBow shall apply to the Court (the "**Approval Motion**") for orders approving any Successful Bid(s) and authorizing AlphaBow to enter into any and all necessary agreements with respect to the Successful Bid(s).
39. The Approval Motion will be held on a date to be scheduled by AlphaBow with the Court, in consultation with the Monitor. The Approval Motion may be adjourned or rescheduled by AlphaBow, in consultation with the Monitor, without further notice, by an announcement of the adjourned date at the Approval Motion or in a notice to the service list prior to the Approval Motion.

40. All the Phase 2 Qualified Bids other than the Successful Bid(s), if any, shall be deemed rejected by the Sales Advisor on and as of the date of approval of the Successful Bid(s) by the Court, but not before, and shall remain open for acceptance until that time.

### ***Deposits***

41. All Deposits shall be retained by the Monitor in a non-interest bearing trust account. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Motion shall be applied against the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will become non-refundable. The Deposits of Phase 2 Qualified Bidders not selected as a Successful Bidder shall be returned to such bidders within five (5) business days of the date upon which the Approval Order is granted by the Court. If there is no Successful Bid, all Deposits shall be returned to the bidders within five (5) business days of the date upon which this SISP terminates in accordance with these procedures.

### ***Confidentiality and Access to Information***

42. Unless otherwise set out herein, participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Phase 1 Qualified Bidders, LOIs, Phase 2 Qualified Bidders, Phase 2 Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Monitor and such other bidders or Potential Bidders in connection with the SISP. The Monitor may however, with the consent of the applicable participants, disclose such information to other bidders for the purpose of seeking to combine separate bids from Phase 1 Qualified Bidders or Phase 2 Qualified Bidders.

### ***Supervision of the SISP***

43. The Monitor will participate in the SISP in the manner set out in this SISP procedure and the SISP Order and is entitled to receive all information in relation to the SISP.
44. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between the Sales Advisor, AlphaBow or the Monitor and any Phase 1 Qualified Bidder, any Phase 2 Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be signed with AlphaBow and approved by the Court.
45. Without limiting the preceding paragraph, neither the Sales Advisor nor the Monitor shall have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, Successful Bidder, or any other creditor or other stakeholder of AlphaBow, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result of gross negligence or willful misconduct of the Monitor or the Sales Advisor. By submitting a bid, each Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, or Successful Bidder shall be deemed to have agreed that it has no claim against the Sales Advisor, AlphaBow or the Monitor for any reason whatsoever, except to the extent such claim is the result of gross negligence or willful misconduct of the Sales Advisor or the Monitor.

46. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, Phase 2 Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
47. The Sales Advisor and the Monitor shall have the right, in consultation with AlphaBow, to modify the SISP and the deadlines set out herein (including, without limitation, pursuant to the Bid Process Letter) if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP.
48. This SISP shall terminate in the event that: (a) no Phase 2 Qualified Bidder submits a Qualified Phase 2 Bid by the Phase 2 Bid Deadline, and the Phase 2 Bid Deadline is not otherwise extended by the Sales Advisor; or (b) the Sales Agent, in consultation with the Monitor and AlphaBow, determine that none of the Phase 2 Qualified Bids should be accepted as a Successful Bid.
49. The approvals required pursuant to the terms of this SISP are in addition to, and not in substitution for, any other approvals required by applicable law in order to implement a Successful Bid.
50. At any time during the SISP, the Sales Advisor, the Monitor or AlphaBow may apply to the Court for advice and directions with respect to any aspect of this SISP or the discharge of their respective powers and duties hereunder.
51. In the event that there is disagreement as to the interpretation or application of the SISP, the Court will have jurisdiction to hear and resolve such dispute.



## **SCHEDULE A**

### **Sales Advisor**

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