



SUPREME COURT OF NOVA SCOTIA

**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 AND ARRANGEMENT OF
THE HALIFAX HERALD LIMITED, SALTWIRE NETWORK INC., HEADLINE PROMOTIONAL
PRODUCTS LIMITED, TITAN SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AND
BRACE HOLDINGS LIMITED**

BETWEEN:

**Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP,
each by their general partner, Fiera Private Debt GP Inc.,**

Applicants

-and-

**Saltwire Network Inc., The Halifax Herald Limited, Headline Promotional Products Limited, Titan
Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited**

Respondents

**FOURTH REPORT OF KSV RESTRUCTURING INC.
AS CCAA MONITOR**

July 30, 2024

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1.0 Introduction

1. Pursuant to an order (the “**Initial Order**”) issued by the Supreme Court of Nova Scotia (the “**Court**”) on March 13, 2024 (the “**Filing Date**”), The Halifax Herald Limited (“**Herald**”), Saltwire Network Inc. (“**Saltwire**”, and together with Herald, the “**Media Companies**”), Headline Promotional Products Limited (“**Headline**”), Titan Security & Investigation Inc. (“**Titan**”), Brace Capital Limited (“**Brace Capital**”) and Brace Holdings Limited (“**Brace Holdings**”, and together with Headline, Titan and Brace Capital, the “**Non-Media Companies**”, and together with the Media Companies, the “**Companies**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and KSV Restructuring Inc. (“**KSV**”) was appointed as monitor in these proceedings (the “**Monitor**”). KSV is filing this report (the “**Fourth Report**”) as Monitor.
2. Applications under the CCAA were made by the Companies and Fiera Private Debt Fund III LP, by its sole general partner Fiera Private Debt Fund GP Inc. (“**Fund III**”), and Fiera Private Debt Fund V LP, by its sole general partner Fiera Private Debt Fund GP Inc. (“**Fund V**”, and together with Fund III, “**Fiera**”). Fiera is the Media Companies’ senior secured creditor and was owed, as of the Filing Date, in excess of \$32 million, with interest and costs continuing to accrue. The Non-Media Companies are guarantors of the debt owing to Fiera. The Court granted the Initial Order sought by Fiera, subject to certain amendments.
3. The principal purpose of these CCAA proceedings has been to create a stabilized environment to enable the Companies to secure financing to continue to operate while the Media Companies and Titan pursued a restructuring or sale of their businesses and assets through Court-supervised sale and investment solicitation processes.
4. Pursuant to the terms of the Initial Order, *inter alia*, the Court:
 - a) granted a stay of proceedings in favour of the Companies and their directors and officers to and including March 22, 2024 (the “**Stay Period**”);
 - b) appointed David Boyd, a representative of Resolve Advisory Services Ltd. (“**Resolve**”), as Chief Restructuring Officer (the “**CRO**”);
 - c) approved an interim financing credit facility (the “**Interim Financing Facility**”) in the maximum principal amount of \$500,000 made available by Fiera (in such capacity, the “**Interim Lender**”) pursuant to an interim financing term sheet dated March 13, 2024, as amended;

- d) granted charges on all of the Companies' current and future assets, property and undertaking (collectively, the "**Property**") in the following priorities:
 - i. a charge in the amount of \$300,000 in favour of the Monitor, its legal counsel and Fiera's legal counsel to secure payment of their fees and disbursements (the "**Administration Charge**");
 - ii. a charge in the amount of \$1.075 million in favour of the Companies' directors and officers to secure certain of the Companies' indemnity obligations to such persons (the "**D&O Charge**"); and
 - iii. a charge in favour of the Interim Lender to secure the Companies' obligations to the Interim Lender in respect of advances made under the Interim Financing Facility (the "**Interim Lender's Charge**").
- 5. Following a motion heard on March 22, 2024 (the "**Comeback Hearing**"), the Court made the following Orders:
 - a) an Order amending and restating the terms and provisions of the Initial Order (as amended and restated, the "**ARIO**"), including to provide for an:
 - i. extension of the Stay Period to May 3, 2024;
 - ii. increase in the Administration Charge from \$300,000 to \$450,000, which charge covers the Monitor, its counsel, Fiera's counsel, the Companies' counsel and the CRO;
 - iii. increase in the amount of the authorized borrowings under the Interim Financing Facility from \$500,000 to \$1.5 million and a corresponding increase in the Interim Lender's Charge;
 - iv. increase in the aggregate amount that the Companies can pay to suppliers and service providers for pre-filing obligations from \$300,000 to \$500,000, subject to the prior consent of the Monitor and the CRO;
 - v. expansion of the CRO's powers and authority; and
 - vi. expansion of the Monitor's powers and authority;
 - b) an Order (the "**SISP Approval Order**") approving a sale and investment solicitation process for the Media Companies (the "**Media Companies SISP**") and the retention by the Media Companies of FTI Capital Advisors-Canada ULC ("**FTI**") as agent (the "**SISP Agent**") pursuant to an engagement letter dated March 14, 2024, including the payment of certain work fees and a success fee, as set out in the SISP Agent Agreement (the "**SISP Agent Compensation**"), secured by a charge of \$500,000 on the Property (the "**SISP Agent Charge**"), which charge ranks *pari passu* with the Administration Charge and in priority to the D&O Charge and the Interim Lender's Charge (collectively, the "**CCAA Charges**"); and

- c) declaring that Headline meets the criteria prescribed by section 3.2 of the Wage Earner Protection Program Regulations, SOR/2008-222 (the “**WEPP Regulations**”) and that Headline’s former employees are eligible to receive payments in accordance with the *Wage Earner Protection Program Act*, S.C. 2005, c. 47 s. 1, as amended (“**WEPPA**”).
6. A copy of the ARIO is provided in **Appendix “A”** and a copy of the SISF Approval Order is provided in **Appendix “B”**.
7. Pursuant to an Order made on April 30, 2024 (the “**April 30th Order**”), the Court, among other things:
 - a) approved amendments to the Interim Financing Facility, including an increase in the limit from \$1.5 million to \$3 million that the Media Companies may borrow under that facility and added Fiera FP Business Financing Fund LP as an interim lender under the Interim Financing Facility;
 - b) approved a sales process for Titan (the “**Titan Sales Process**”), including the retention of MC Advisory Group Inc. (“**MCA**”) as sales advisor (“**Titan Sales Advisor**”); and
 - c) extended the Stay Period to June 28, 2024.
8. A copy of the April 30th Order is attached as **Appendix “C”**.
9. Pursuant to an Order made on June 28, 2024 (the “**June 28th Order**”), the Court, among other things:
 - a) approved amendments to the Interim Financing Facility, including an increase in the limit from \$3 million to \$4.1 million that the Media Companies may borrow under that facility;
 - b) approved a key employee retention plan (“**KERP**”) and a corresponding charge in the maximum amount of \$135,000 (the “**KERP Charge**”) as security for amounts payable to the employees participating in the KERP, ranking behind the Administration Charge and the SISF Agent Charge (which charges rank *pari passu*); and
 - c) extended the Stay Period to August 9, 2024.
10. A copy of the June 28th Order is provided as **Appendix “D”**.
11. The Affidavit of Russell French, a managing director of, and head of special situations at, Fiera, affirmed March 8, 2024 in support of Fiera’s CCAA application (the “**First French Affidavit**”) and Mr. French’s affidavit affirmed March 19, 2024 (the “**Second French Affidavit**”) in support of the relief sought at the Comeback Hearing, provide, *inter alia*, background information concerning the Companies and their businesses, as well as the reasons that Fiera commenced these proceedings.

12. Court materials filed in these proceedings, including the Affidavits of Mr. French and KSV's prior reports to Court issued in these proceedings, including as proposed Monitor (the "**Pre-filing Report**"), are available on KSV's case website at <https://www.ksvadvisory.com/experience/case/Herald-Saltwire>.

1.1 Purposes of this Fourth Report

1. The purposes of this Fourth Report are to:
 - a) update the Court on the Media Companies' SISP;
 - b) summarize a transaction (the "**Media Companies Transaction**") between the Media Companies and a limited partnership to be formed prior to the Closing (as defined below) ("**PMI**"), in respect of which Postmedia Network Inc. ("**Postmedia**") will be the sole limited partner and the sole shareholder of the general partner, pursuant to an Asset Purchase Agreement dated July 25, 2024 (the "**APA**") which Postmedia intends to assign to PMI;
 - c) update the Court on the status of the Titan Sales Process;
 - d) provide the rationale for sealing the Offer Summary, as defined in Section 3.3 below;
 - e) report on the Companies' cash flow projection for the period July 20, 2024 to December 14, 2024 (the "**Cash Flow Forecast**");
 - f) discuss the rationale for an increase in the amount of the Interim Financing Facility from \$4.1 million to \$7 million (the "**DIP Increase**") and provide for a corresponding increase in the Interim Lender's Charge (the "**Amended Interim Financing Facility**");
 - g) provide the Court with an update on the Companies' and the Monitor's activities since the date of the Third Report to Court dated June 19, 2024 (the "**Third Report**");
 - h) discuss and provide the Monitor's recommendations for the following Orders:
 - i. an Approval and Vesting Order consisting of the following substantive relief (the "**AVO**"):
 1. approving the APA and the Media Companies Transaction; and
 2. vesting the Purchased Assets (as defined in the APA) in PMI, free and clear of encumbrances, upon execution and delivery of a certificate by the Monitor confirming completion of the Media Companies Transaction;

- ii. an Ancillary Order (the “**Ancillary Order**”):
 - declaring that the Media Companies meet the criteria prescribed by section 3.2 of the WEPP Regulations and that the Media Companies’ employees terminated on or after August 8, 2024 are eligible to receive payments under and in accordance with the WEPPA;
 - sealing the confidential appendix to this Fourth Report (the “**Confidential Appendix**”);
 - approving amendments to the Interim Financing Facility, including an increase to the maximum principal amount that the Media Companies may borrow under that facility;
 - extending the Stay Period to December 13, 2024 (the “**Stay Extension Date**”); and
 - approving the Fourth Report and the Monitor’s activities described in the report.

1.2 Restrictions

1. In preparing this Fourth Report, the Monitor has relied upon the Companies’ unaudited financial information, financial forecasts, books and records, information available in the public domain and discussions with the Companies’ management, the CRO, Fiera and its legal counsel.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied upon to prepare this Fourth Report in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Fourth Report is based upon assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

1.3 Currency

1. All currency references in this Fourth Report are in Canadian dollars.

2.0 Background

1. The Companies are private companies incorporated under the laws of Nova Scotia.
2. The Media Companies publish *The Chronicle Herald*, the *Cape Breton Post*, *The Telegram* (St. Johns) and *The Guardian* (Charlottetown), as well as several digital publications. The Monitor understands that these are the largest media and newspaper businesses in Atlantic Canada. The Media Companies also recently launched a “last mile” parcel delivery business known as “Door Direct”, which utilizes their existing carrier network.
3. Titan is a full-service security and health care services company with approximately 100 full and part-time employees.
4. Headline is a promotional products company that procures branded novelty and other products for corporate buyers. As of the Filing Date, it employed six individuals. The Companies discontinued Headline’s business earlier in these proceedings as it was unprofitable.
5. Brace Capital is the sole shareholder of Headline and Titan. Brace Holdings is the sole shareholder of the Media Companies and Brace Capital. A copy of the Companies’ corporate organizational chart is provided as **Appendix “E”**.
6. The Herald’s head office and principal address is located at 2717 Joseph Howe Drive, Halifax where it operates from leased premises. The registered office of Saltwire, Headline and Titan is 600-1741 Lower Water Street, Halifax.
7. Saltwire owns the following locations (the “**Real Properties**”) from which it presently operates (or from which it formerly operated), each of which is listed for sale, except Bluewater (as defined below):
 - 311 Bluewater Road, Bedford (“**Bluewater**”);
 - 2 Second Street, Yarmouth;
 - 255 George Street, Sydney; and
 - 36 Austin Street, St. John’s.
8. Fiera has senior ranking mortgages on the Real Properties. The Monitor’s Nova Scotia counsel, Burchell Wickwire Bryson LLP, provided the Monitor with an opinion¹ that, subject to the assumptions and qualifications referred to therein, the security interests granted by the Companies to Fiera in the personal property and the Real Properties are valid and enforceable as against the Companies, and would be effective as against a trustee in bankruptcy of the Companies. Copies of the security opinions are available to the Court should it wish to review them.
9. As of the date of the ARIO, the Media Companies had approximately 390 employees and 800 independent contractors. Approximately 25% of the Media Companies’ employees are union members. As of the date of this Fourth Report, the Media Companies have approximately 363 employees and 800 independent contractors.

¹ Burchell retained Benson Buffett PLC Inc. to provide an opinion on the security interests related to the property in Newfoundland and Labrador.

3.0 SISP²

1. The Media Companies SISP was summarized in the First Report to Court dated March 19, 2024 and was attached as Schedule “B” to the SISP Approval Order.
2. The following table provides a summary of key process milestones and dates under the Media Companies SISP.

Milestone	Deadline
Commencement Date	March 26, 2024
Phase 1 Bid Deadline	5pm AST, April 25, 2024 (“Phase 1 Bid Deadline”)
Phase 2 Bid Deadline	5pm AST, May 24, 2024 (“Phase 2 Bid Deadline”)
Court Approval Date	No later than June 28, 2024
Closing Date Deadline	July 31, 2024

3. As set out above, the Media Companies SISP had two stages:
 - a) Phase 1 of the SISP was intended to solicit indicative non-binding letters of intent (“**LOIs**”) from interested parties; and
 - b) During Phase 2, parties who submitted qualifying LOIs in Phase 1 would be permitted to participate in Phase 2 and would be required to submit binding offers on or before the Phase 2 Bid Deadline.
4. Since the date of the SISP Approval Order, the SISP Agent worked with the CRO and the Monitor regarding all aspects of the SISP and provided them with regular progress updates.
5. The SISP Agent’s activities following the SISP Approval Order were summarized in the Second Report dated April 23, 2024 (the “**Second Report**”).
6. In the Supplement to the Second Report dated April 26, 2024, the Monitor reported that:

As of the Phase 1 Bid Deadline, several indicative non-binding letters of intent (“**LOIs**”) were submitted from interested parties for all or part of the Media Companies’ business and assets, including offers that, if completed, would see the business continue on a going-concern basis. The LOIs are subject to various conditions and further due diligence.

The Monitor intends to work with the CRO and the SISP Agent to attempt to successfully complete a transaction. The SISP Agent and the CRO, in consultation with the Monitor, shall be determining the process to be followed in pursuing Qualified LOIs in Phase 2 and which participants will be requested to submit binding offers on or before the Phase 2 Bid Deadline (5pm AST, May 24, 2024).

² Capitalized terms not defined in this section have the meanings defined in the SISP Approval Order.

7. The SISP Agent, the CRO and the Monitor discussed the LOIs with Fiera, the Media Companies' most significant financial stakeholder. The Media Companies and the SISP Agent, with the assistance of the CRO, under the Monitor's oversight, also continued to facilitate due diligence with several Potential Bidders.
8. In its Third Report, the Monitor advised that "[a]s of the Phase 2 Bid Deadline, four offers were submitted from interested parties for all or part of the Media Companies' business and assets, including offers that, if completed, would see the entirety of the business continue on a going-concern basis" and that "[o]n June 14, 2024, the SISP Agent advised all [but one bidder³] that the Media Companies were not considering their bids at this time".
9. Following the Phase 2 Bid Deadline, the Media Companies, the SISP Agent, the CRO and Fiera, in consultation with the Monitor, continued negotiations with Postmedia, including facilitating Postmedia's remaining due diligence.
10. Postmedia's bid was considered superior to the others due to, among other reasons: a) it provides a platform to maintain journalism in Atlantic Canada and preserves employment for certain of the Media Companies' employees; b) Postmedia is believed to be well positioned to capitalize on the synergies required to make the Media Companies' business successful in the long-term; c) Postmedia's due diligence was more advanced than other bidders; and d) it provides Fiera with the opportunity for recoveries based on the future performance of the Media Companies' business that can only be realized through synergies with Postmedia. None of the other bids contemplated any greater or higher recovery for Fiera or any other stakeholders. Postmedia was therefore considered to be the "Successful Bidder" and its bid was considered the "Successful Bid" as such terms are defined in the SISP Approval Order.
11. Extensive negotiations among Postmedia, the Companies, Fiera and the Monitor ultimately led to the execution of the APA on July 25, 2024, which is summarized below.
12. On July 26, 2024, Postmedia issued a press release announcing its execution of the APA and on July 30, 2024, the Media Companies also issued a press release. Copies of the press releases are provided as **Appendix "F"**.
13. A report concerning the Media Companies SISP prepared by the SISP Agent is provided as **Appendix "G"**. A summary of the offers (the "**Offer Summary**") submitted by the Phase 2 Bid Deadline is provided as **Confidential Appendix "1"**. The Monitor's rationale for sealing the Offer Summary is provided in Section 5 of this Fourth Report.

³ Being Postmedia.

3.1 The Media Companies Transaction

1. A summary of the APA is as follows⁴:
 - a) Purchaser: a limited partnership to be formed prior to the Closing, in respect of which Postmedia will be the sole limited partner and the sole shareholder of the general partner, and to which Postmedia intends to assign the APA.
 - b) Property: All of the Media Companies' right, title and interest in the Purchased Assets, which include, among others: a) the Acquired Contracts; b) the Acquired Personal Property Leases; c) the Acquired Real Property Leases; d) the Receivables; e) goodwill; and f) accrued Canadian Journalism Tax Credits ("**CJTCs**") and any amounts received or receivable by PMI or the Media Companies pursuant to Bill C-18 – *The Online News Act*⁵ (the "**Bill C-18 Funds**") that relate to the Business or the Purchased Assets for any period following the Closing Date.
 - c) Purchase price: \$1 million plus the amount of the Accrued Liabilities⁶ as set out in Schedule 2.6 of the APA, subject to certain adjustments. The Monitor is to release the \$1 million to or at the direction of the Media Companies for the sole purpose of making the following payments in the following order of priority: (i) any outstanding payroll obligations for wages in respect of the Employees who have accepted an offer of employment from PMI as of Closing Date (the "**Transferred Employees**")⁷ for any period commencing since the last processed payroll to Closing; (ii) amounts owing under the Acquired Agreements for any period commencing on the Filing Date up to Closing; and (iii) in respect of other costs, expenses and liabilities of the Media Companies incurred from the period commencing on the Filing Date up to Closing as agreed to by the Media Companies and the Monitor, including Closing costs incurred by the Media Companies in connection with the Media Companies Transaction.
 - d) Other recoveries: The APA requires that a debt repayment agreement will be entered into among the Media Companies, Fiera and PMI (a "**Debt Repayment Agreement**") on Closing on terms and conditions acceptable to each of them, which will include, among other things: i) the terms of repayment by PMI of amounts of indebtedness owing by the Media Companies to Fiera (which, as noted above was in excess of \$32 million as of the Filing Date), as well as amounts owing under the Interim Financing Facility; ii) the support and consent by Fiera for the Media Companies Transaction and the terms of the APA, including without limitation, a covenant from Fiera not to enforce any of its rights

⁴ Capitalized terms not defined in this section have the meanings defined in the APA.

⁵ This is defined in the APA as the Google Money.

⁶ This refers to the Assumed Liabilities other than the Assumed Liabilities that are not payable on or before, or accrued or incurred as of, the Closing Time. The Assumed Liabilities include: a) the Acquired Agreements to the extent first arising and relating to the period on or after the Closing Time and any and all Cure Costs under such Acquired Agreements to the extent payable by PMI under Section **Error! Reference source not found.**2.8(c) of the APA; b) accrued vacation for Transferred Employees; c) the deferred subscription liabilities relating to the Business in respect of home delivery and subscription services incurred after the Filing Date but prior to the Closing Time that are not in violation of Section 7.7 of the APA; and d) the obligation to pay certain indebtedness owing by the Media Companies to Fiera as further set forth in the Debt Repayment Agreement.

⁷ Employees who are not offered employment by PMI will be paid in full for all wages and vacation pay owing to them to their date of termination, with such amounts funded under the Interim Financing Facility.

under outstanding indebtedness owed to it by the Media Companies; and iii) certain governance rights in respect of PMI.

- e) Acquired Agreements: The Media Companies are required to assist PMI to obtain any necessary consents or approvals in order to assign the Acquired Agreements to it on Closing. Pursuant to Section 2.8 (c) of the APA, Cure Costs in respect of Acquired Agreements shall be paid by PMI, provided that PMI shall not be obligated to pay any Cure Costs in respect of any Contract that is not an Acquired Agreement, including any Restricted Rights⁸. If consent is not obtained to assign any Acquired Agreements and an Assignment Order is required, PMI is to notify the Media Companies and the Monitor as soon as reasonably practicable thereafter and the Media Companies, or the Monitor, shall file a motion, at PMI's expense, to seek such Assignment Order.
- f) Excluded Assets: The Purchased Assets do not include, among other things: a) cash on hand; b) CJTCs and Bill C-18 Funds for any period up to and including the Closing Date; c) all litigation claims of the Media Companies, including certain litigation between Saltwire, as plaintiff, and Groupe Des Medias Transcontinental de la Nouvelle-Ecosse Inc. et al, as defendants; d) employment contracts with Employees other than the Transferred Employees; and e) the Real Properties.
- g) Closing date: Contemplated to be August 24, 2024 or such other date as may be agreed between the Media Companies and PMI in writing, with the consent of the Monitor (the "**Closing Date**"). If, prior to the Closing, the AVO shall have been appealed or a proceeding shall have been commenced to restrain or prevent the completion of the Media Companies Transaction, then the Closing Date may be extended by the Media Companies provided such Closing Date shall not extend past August 26, 2024, without mutual agreement of the Media Companies and PMI.
- h) Transition Services: The APA requires a services and/or support agreement to be negotiated and entered into between the Media Companies and PMI, in consultation with the Monitor, for the provision of services by the Media Companies and PMI for an agreed upon period, which services shall be those currently used and necessary to operate the Business (the "**TSA**"). As of the date of this Fourth Report, the Media Companies and the CRO, in consultation with the Monitor and Fiera, are working on the terms of the TSA with PMI, including terms requiring PMI to fund the Media Companies, in advance, for the cost of the services to be provided pursuant to the TSA, as well as a security deposit for such services. The Monitor will provide an update to the Court on the status of the TSA at the August 8, 2024 scheduled hearing date for the Monitor's motion seeking the AVO (the "**Sale Approval Motion**").

⁸ The APA provides in section 2.8(a) that it is not to constitute an agreement to assign or transfer any Purchased Asset or any right thereunder if an attempted assignment or transfer, without the consent of a third Person, would constitute a violation of an Applicable Law, breach or in any way adversely affect the rights of PMI thereunder ("**Restricted Rights**").

- i) Break Fee: The APA includes a \$500,000 break fee (the “**Break Fee**”) payable to PMI if the Media Companies complete an Alternative Transaction (as defined below) or an Alternative Transaction otherwise occurs, which shall be paid upon the closing of such Alternative Transaction out of the proceeds of sale. The APA provides that the Media Companies shall not enter into any transaction, agreement or arrangement in respect of the Purchased Assets or the Business (but specifically excluding a *bona fide* credit bid by Fiera and / or the Interim Lender), other than an Alternative Transaction. “Alternative Transaction” means any agreement, arrangement or transaction pursuant to which Person or group of Persons will acquire, directly or indirectly, the Media Companies or any significant part of the Purchased Assets or the Business, whether by business combination, merger, tender offer, amalgamation, share purchase, asset purchase, share reorganization or other similar transaction which, in each case, provides for the payment in full by such third party of all existing indebtedness of the Companies to Fiera and the Interim Lender as well as the Break Fee, including all principal, interest and costs, as well as any amounts outstanding under the DIP Loan and all other costs and expenses of the Media Companies in respect of the CCAA Proceeding, concurrently with the closing or completion of such Alternative Transaction.
- j) Releases: The proposed AVO includes releases (the “**Releases**”) in favour of: (a) the present and former directors, officers, employees, legal counsel and advisors of the Media Companies; (b) the Monitor and its legal counsel and advisors, and their respective present and former directors, officers, partners, employees and advisors; (c) Postmedia and PMI and respective affiliates, and their respective advisors; and (d) Fiera (including in its capacity as Interim Lender), their affiliates and their respective advisors (collectively, the “**Released Parties**”). The Releases will cover any present and future claims against the Released Parties based on any fact, or matter, or occurrence existing on or prior to Closing or relating to or arising out of the Media Companies Transaction or the APA. It does not release any claim for fraud or willful misconduct or any claim that may not be released pursuant to s. 5.1(2) of the CCAA.
- k) Material conditions: The conditions include, but are not limited to, the following:
- i. the AVO shall have been obtained and shall not have been stayed, varied or set aside;
 - ii. there shall be no litigation or proceedings pending against any of the Parties or involving any of the Purchased Assets for the purpose of enjoining, preventing or restraining the completion of the Media Companies Transaction or otherwise claiming that such completion is improper;
 - iii. Fiera shall have entered into the Intercreditor Agreement with Postmedia and Postmedia’s lenders in form and substance acceptable to Postmedia, in its sole discretion, in respect of the arrangements contemplated in the Debt Repayment Agreement;

- iv. on or before August 5, 2024: a) the collective agreements covering the Herald Editorial bargaining unit and the Cape Breton Post bargaining unit shall have been modified or amended on such terms and conditions as are satisfactory to PMI, in its sole discretion; and b) the Herald Press bargaining unit and the Herald Composing bargaining unit shall have released any successor rights claims under section 31 of the *Nova Scotia Trade Union Act*, RSNS 1989, c475 as against PMI on terms and conditions satisfactory to PMI, in its sole discretion⁹;
- v. the Media Companies shall have adopted such resolutions as may be required to wind up their registered pension plans effective immediately prior to the Closing Date and shall have taken such steps, including having directed the third-party administrators of the registered pension plans, necessary to commence the winding up of such plans with a wind-up effective date as of the date immediately prior to the Closing Date;
- vi. no change, event, fact, condition, occurrence or circumstance, individually or in the aggregate, shall have occurred since the Filing Date that: (i) has, or would reasonably be expected to have, a material adverse effect on the operations, results of operations or condition (financial or otherwise) of the Business; (ii) materially and adversely impairs the Purchased Assets or the Business, taken as a whole; or (iii) materially and adversely increases the Assumed Liabilities other than any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Media Companies or the Business with any of its current or prospective employees, customers, security holders, financing sources, suppliers or other business partners as a result of the actions of PMI in connection with the announcement of the Media Companies Transaction; and
- vii. Fiera and the Media Companies shall have entered into the Debt Repayment Agreement on terms and conditions satisfactory to PMI, acting reasonably.

2. A copy of the APA is provided as **Appendix “H”**.

3.2 Media Companies Transaction Recommendation

1. The Monitor respectfully recommends that this Court approve the APA for the following reasons:
 - a) the Media Companies SISP was a continuation of a sale and investment solicitation process that the Media Companies commenced many months prior to the commencement of these CCAA proceedings and was carried out by the SISP Agent, at that time in its capacity as financial advisor to the Media Companies;

⁹ In this regard, immediately following the announcement of the signing the APA, the Media Companies and Postmedia contacted and commenced discussions with the respective unions.

- b) the SISP Agent, the CRO and the Monitor believe that the Media Companies SISP was commercially reasonable and carried out in accordance with the SISP Approval Order. The Media Companies SISP canvassed the market for strategic and financial parties (including non-domestic parties) with experience in the media sector, as well as those having an interest in distressed businesses. The SISP Agent considered sale, financing and investment opportunities, and the SISP Agent considered a wide spectrum of potential transaction structures;
- c) the Media Companies Transaction is structured to generate recoveries based on the future success of their businesses. It provides Fiera an opportunity to generate significant recoveries on its loans to the Media Companies over several years. No other available third-party transactions provided the same opportunity or for a better recovery for Fiera or other stakeholders;
- d) the SISP Agent, the CRO and the Monitor are of the view that additional time marketing the Media Companies' business and assets will not result in a superior transaction. Additionally, Fiera has advised that it is not prepared to continue to fund the Media Companies' operating losses. Subject to internal approval and Court approval of the Media Companies Transaction, Fiera is prepared to increase the amount of the Interim Financing Facility to \$7 million, failing which it has advised that it is only prepared to provide the Media Companies with funding necessary to expediently wind down their businesses;
- e) the Monitor and the CRO believe that the commercial terms of the APA are reasonable in the present circumstances, including the distressed state of the media industry, as well as the transition from traditional media (including print) to digital media;
- f) subject to agreement on acceptable wording for the Releases, the Monitor is of the view that the Releases should be approved based on the applicable legal test in the context of approval of a sale transaction in a CCAA proceeding as: (a) they are fair and reasonable in the circumstances; (b) the released claims are rationally connected to the restructuring; (c) the Released Parties are necessary and essential to the restructuring of the Media Companies; and (d) the Released Parties contributed to the restructuring;
- g) the Media Companies Transaction provides for continuation of a significant portion of the Media Companies' business, including employment for certain of its employees, both on an interim basis pursuant to the TSA and on a permanent basis under the Media Companies Transaction;
- h) absent the Media Companies Transaction, the Media Companies business is likely to be immediately wound down. This would result in job losses and Atlantic Canada's largest media business would come to an end;
- i) the Media Companies Transaction is conditional on Court approval and, among other things, certain union concessions which are to be satisfied by August 5, 2024. The Monitor will advise the Court of the status of those conditions on or before the return of the Sale Approval Motion;
- j) Fiera consents to the terms and payment of the Break Fee, which would be payable out from the proceeds of transaction meeting the conditions detailed in paragraph 3.1(1)(i) above; and

- k) Fiera, the Companies' primary economic stakeholder, has been consulted throughout the course of the SISP and supports approval of the Media Companies Transaction, including the terms and payment of the Break Fee in the event of an Alternative Transaction.

3.3 WEPPA

1. The Media Companies presently have approximately 363 employees. On or after August 8, 2024, those employees not retained by PMI upon closing will either be terminated or they will be offered the opportunity to continue their employment by the Media Companies for an interim period pursuant to the TSA (the "**Terminated Employees**").
2. Earlier in these proceedings, the Court issued an order declaring that Headline's terminated employees are subject to the Wage Earner Protection Program ("**WEPP**"), which allows them to make claims of up to \$8,508 for unpaid wages, severance and termination pay.
3. All Terminated Employees are to receive wages and vacation pay to their last day of employment. Making WEPP available to Terminated Employees will provide them the opportunity to receive through WEPP some or all of their severance and termination pay, which, as unsecured claims, would otherwise not be the case.
4. Subsection 5(1) of the WEPPA provides that an individual is eligible to receive payment under the WEPP if, among other things: a) the individual's employment is ended for a reason prescribed by regulation; b) the individual is owed eligible wages by a former employer; c) the former employer is subject to proceedings under the CCAA; and d) a court determines under subsection 5(5) of the WEPPA that the criteria prescribed by regulation are met.
5. Pursuant to Section 3.2 of the WEPP Regulations, the Court "may determine whether the former employer is the former employer all of whose employees in Canada have been terminated other than any retained to wind down its business operations."
6. The proposed WEPPA declaration is intended to assist the Terminated Employees to access benefits under the WEPPA shortly after their termination and subject to the WEPP Regulations.
7. The Monitor recommends that the Court make an Order declaring that the Media Companies are a former employer for the purposes of subsection 5(5) of the WEPPA. If such declaration is made, the Monitor intends to work with the Media Companies and eligible employees to assist them to file WEPP claims with Service Canada.

3.4 Next Steps Following Closing

1. The Media Companies, CRO, the Monitor and Fiera are presently preparing a plan to address certain matters following closing of the Media Companies Transaction, assuming the conditions are satisfied and the AVO is approved by the Court. The matters to be addressed include:
 - a) processing payroll for all employees up to their final pay periods;

- b) processing the KERP payments to the eligible employees;
 - c) paying for goods and services received up to the Closing date;
 - d) disclaiming agreements and contracts not acquired or assumed by PMI;
 - e) preparing records of employment and T4s;
 - f) assisting employees not retained by PMI to complete WEPP applications;
 - g) dealing with banking matters, including control of the Media Companies' accounts;
 - h) preparing sales and income tax returns;
 - i) disclaiming and vacating premises for leases not assumed by PMI;
 - j) maintaining the Real Properties and either selling or disposing of the assets in the Real Properties not being acquired by PMI; and
 - k) negotiating the sale, subject to Court approval, of the Real Properties.
2. As referenced above, the Real Properties are excluded assets pursuant to the APA. The CRO, the Monitor and Fiera will be developing a strategy in due course for each of the Real Properties which will consider, among other things, PMI's intentions during the TSA period for each of the Real Properties.

4.0 Titan Sales Process

1. Titan is a full-service security and health care services company with approximately 100 full and part-time employees.
2. Pursuant to the April 30th Order, MCA was engaged as the Titan Sales Advisor to carry out the Titan Sales Process, which is described in the Second Report.
3. The timelines in the Titan Sales Process are summarized below.

Milestone	Key Dates
Distribute teaser	May 6, 2024
Distribute Confidential Information Memorandum and provide access to Virtual Data Room to interested parties	Upon signing a confidentiality agreement
Bid Deadline	June 14, 2024
Review and negotiate bids	1-14 days after bid deadline
Selection of Successful Bidder(s)	Immediately following the above
Court approval and closing(s)	As soon as possible

4. The Monitor summarized the Titan Sales Advisor's activities in the Third Report and advised that four offers were submitted as of the Bid Deadline for Titan's business and assets (the "**Titan Offers**"). The Monitor also advised that Titan, the CRO and the Titan Sales Advisor, in consultation with the Monitor and Fiera, were reviewing the offers received and intended to work to complete a transaction that would see the business continue on a going-concern basis.
5. Following its review of the Titan Offers, Fiera advised the Titan Sales Advisor and the Monitor that it would not consent to a transaction for any of the Titan Offers as, in its view, the offers were for amounts significantly below the value of Titan's business. Fiera then began preparing a credit bid for Titan; however, as of the date of this Fourth Report, the transaction structure is still being considered.
6. Fiera has advised the CRO and the Monitor that it remains committed to submitting a credit bid, subject to finalizing the details of the transaction. The Monitor understands that the transaction is contemplated to offer employment to all or substantially all of Titan's employees.
7. The Monitor intends to seek approval of a transaction for Titan once Fiera's bid has been finalized, at which time further information concerning the other offers submitted in the Titan Sale Process will be provided.

5.0 Sealing

1. The Monitor is recommending that the Offer Summary be sealed. If the transaction is terminated for any reason, another sale process could be required. If the Offer Summary is not sealed, future bidders would have access to offer details, which could prejudice the Media Companies' stakeholders and negatively impact recoveries. The Monitor proposes that the Offer Summary be sealed until the earlier of: (a) 30 days following closing of the Media Companies Transaction; and (b) further order of the Court.
2. The Monitor does not believe that any party will be prejudiced if the information is sealed at this time in accordance with paragraph 5.1 above.
3. The salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances. The Monitor is of the view that the sealing of Confidential Appendix "1" is consistent with the decision in *Sherman Estate v. Donovan*, 2021 SCC 25. Accordingly, the Monitor believes the proposed sealing order is appropriate in the circumstances.

6.0 Cash Flow Forecast

1. A comparison of the Companies' cash flow from June 15 to July 19, 2024 to the cash flow forecast in the Third Report (the "Prior Forecast") is provided below.

(unaudited; CAD; \$000s)	Actuals	Forecast	Variance
Media Companies			
Receipts			
Collection of accounts receivable	4,446	3,572	875
HST collected	620	536	84
	5,066	4,108	959
Disbursements			
Payroll and benefits	1,685	1,712	27
Distribution costs	1,426	1,400	(26)
Operational, office and administration	561	587	26
Restructuring fees	455	641	186
Printing supplies and inventory	243	283	40
HST paid on disbursements	214	237	23
Occupancy, repairs and utilities	222	191	(31)
Net HST remittance	-	-	-
Other	65	67	2
	4,871	5,116	246
Net Cash Flow	195	(1,009)	1,204
Titan			
Receipts	375	368	7
Disbursements	356	342	(14)
Net Cash Flow	18	25	(7)
Total Net Cash Flow			
	214	(984)	1,197
Opening Cash Balance	594	568	26
Net Cash Flow	214	(984)	1,197
DIP Financing	400	1,200	(800)
Ending Cash Balance	1,208	784	423

2. As reflected above, as of July 19, 2024, the Companies borrowed \$400,000 under the Interim Financing Facility compared to \$1.2 million which had been projected in the Prior Forecast for the period referenced above. The significant variances in the actual cash flow compared to the Prior Forecast are as follows:

- Collection of accounts receivable: The positive variance (\$875,000) is largely due to a change in the Media Companies' collection methodology of its subscription revenue and receipt of a grant of \$315,000 that had been projected to be collected in mid-August.
- Restructuring fees: The positive variance (\$186,000) is expected to be timing.
- Other: With the exception of the collections and restructuring fee variances, the variances are not considered material.

3. The Companies, with the assistance of the CRO and the Monitor, prepared a cash flow forecast from July 20 to December 14, 2024 (the “**Cash Flow Forecast**”) on the basis that the Media Companies Transaction is approved by the Court and closes effective August 24, 2024. The Cash Flow Forecast and the Companies’ statutory report thereon pursuant to Section 10(2)(b) of the CCAA are attached as **Appendix “I”**.
4. The Cash Flow Forecast reflects that the Companies borrow \$7 million under the Amended Interim Financing Facility during the forecast period (or \$2.9 million above the \$4.1 million previously approved). A portion of the funding under the Second Amendment to the Interim Financing Facility (as defined below) is also to be used to satisfy obligations payable following the Cash Flow Forecast period (the “**Post Period Payables**”), net of projected future recoveries.
5. Based on the Monitor’s review of the Cash Flow Forecast, the cash flow assumptions appear reasonable. The Monitor’s statutory report on the Revised Cash Flow Forecast is attached hereto as **Appendix “J”**.
6. The Monitor understands that the Interim Lender is prepared to fund these proceedings in accordance with the Cash Flow Forecast, subject to the Court granting the requested stay extension and approving the Second Amendment to Interim Financing Term Sheet (as defined below).

6.1 Amended Interim Financing Facility

1. The terms of the Interim Financing Facility were detailed in the Pre-filing Report and the First French Affidavit. The Interim Financing Facility was amended and restated pursuant to an interim financing term sheet dated as of March 22, 2024 (the “**Amended and Restated Interim Financing Term Sheet**”) and provided for a borrowing limit of up to \$1.5 million. The Court approved the Amended and Restated Interim Financing Term Sheet pursuant to the ARIO. The Interim Financing Term Sheet has been amended three times, resulting in the present borrowing limit of \$4.1 million.
2. Based on the Cash Flow Forecast and the Post Period Payables, the Companies are proposing to borrow a total of \$7 million under the Interim Financing Term Sheet.
3. The Monitor and the CRO discussed the Companies’ borrowing requirements with Fiera. Fiera has advised that it is prepared to further increase the limit under the Amended and Restated Interim Financing Term Sheet subject to the following amendments (the “**Second Amendment to Interim Financing Term Sheet**”):
 - a) Facility Amount: \$7 million.
 - b) Commitment Fee and Standby Fee: 1%, plus applicable taxes, of the incremental \$2.9 million amount, fully earned by the Interim Lender upon execution of the Second Amendment to Interim Financing Term Sheet, which amount shall be deducted from the first advance made after Court approval.

- c) Additional conditions include:
- The Court shall have issued an order amending the ARIO in form and substance acceptable to the Interim Lender and its legal counsel, which shall, among other things: (i) increase the maximum borrowing amount to \$7 million; and (ii) confirm the Interim Lender's Charge secures the increased borrowing amount, which shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting the Interim Lender unless otherwise agreed by the Interim Lender;
 - The Court shall have issued an order in form and substance satisfactory to the Interim Lender approving the APA;
 - The Court shall have granted an order extending the Stay Period to December 13, 2024.
4. An unsigned copy of the Second Amendment to Interim Financing Term Sheet is provided as **Appendix "K"**.
5. The Second Amendment to the Interim Financing Term Sheet provides that if the APA is not approved by the Court, Fiera will work with the Media Companies and the Monitor to provide interim funding required to wind-down the operations of the Media Companies in accordance with a revised cash flow which would be prepared and subject to the approval of the Interim Lender so as to satisfy accrued and unpaid obligations since the Filing Date.
6. The Monitor is of the view that the Second Amendment to the Interim Financing Term Sheet is reasonable and appropriate for the following reasons:
- a) it is projected to be sufficient to fund the Companies during the Stay Extension Date, as well as the Post Period Payables (net of future projected recoveries);
 - b) the terms of the Second Amendment to the Interim Financing Term Sheet are reasonable based on comparable facilities as addressed in the Pre-Filing Report and the Second Report;
 - c) the CRO, on behalf of the Companies, has agreed to the terms of the Second Amendment to Interim Financing Term Sheet and has advised the Monitor that he believes the terms are commercially reasonable; and
 - d) without the DIP Increase, the Companies are not projected to have sufficient funding to operate their business, complete the Media Companies Transaction and fund these proceedings.

7.0 Update on the Companies' Activities

1. Since the date of the Third Report, the Companies have, among other things:
 - a) continued to operate their businesses in the ordinary course (other than Headline) with the assistance of the CRO, under the supervision of the Monitor;
 - b) continued to meet with representatives from or affiliates with the Premier's offices of Prince Edward Island, Nova Scotia, and Newfoundland and Labrador to discuss these restructuring proceedings;
 - c) continued to communicate with employees, unions, customers, advertisers and suppliers regarding the purpose of these proceedings and their intentions regarding the restructuring and continuation of the business;
 - d) corresponded with the SISP Agent regarding the Media Companies SISP;
 - e) corresponded with the Titan Sales Advisor regarding the Titan Sale Process;
 - f) provided financial and operational reporting to the Monitor and Fiera, as required pursuant to the Interim Financing Facility;
 - g) facilitated due diligence requests from parties participating in the Media Companies SISP, including Postmedia;
 - h) reviewed and updated the Cash Flow Forecast, with the assistance of the Monitor and the CRO; and
 - i) prepared multi-year financial forecasts regarding the Media Companies' business.

8.0 Monitor's Activities since the Initial Order

1. Since the date of the Third Report, the Monitor has, among other things:
 - a) worked with the Companies' management team and the CRO regarding these proceedings;
 - b) monitored the Companies' receipts and disbursements, including reviewing and commenting on the Companies' weekly cash flow reporting required under the Interim Financing Facility;
 - c) engaged extensively with its counsel, Chaitons LLP, as well as Fiera and Norton Rose Fulbright Canada LLP (Fiera's legal counsel) regarding various matters relating to these proceedings, including employee issues, pension issues, operating matters, the SISP and the Titan Sales Process;
 - d) engaged with Postmedia and Goodmans LLP (Postmedia's counsel) regarding the Media Companies Transaction;
 - e) met with, and corresponded regularly with, the SISP Sales Agent regarding the Media Companies SISP and with the Titan Sales Advisor regarding the Titan Sales Process;

- f) continued to assist the Companies in their dealings with key suppliers;
- g) dealt with Canada Revenue Agency regarding the Media Companies' HST accounts and CJTCs;
- h) corresponded with Osler, Hoskin & Harcourt LLP, counsel representing Eckler AdminCorp Ltd., appointed as the interim administrator of the Herald Retirement Plan, to discuss the status of these proceedings; and
- i) prepared this Fourth Report.

9.0 Stay Extension

1. The Stay Period currently expires on August 9, 2024.
2. The Monitor recommends that the Stay Period be extended to December 13, 2024 for the following reasons, among others:
 - a) the Companies are continuing to act in good faith and with due diligence to advance their restructuring;
 - b) the Stay Extension will allow for completion of the Media Companies Transaction or to wind down the business if the Media Companies Transaction is not approved or does not close;
 - c) the Stay Extension will allow for time to deal with the post-closing activities discussed above in Section 3.4, including to market the Real Properties for sale;
 - d) the Stay Extension will provide an opportunity to complete a transaction for Titan;
 - e) the Monitor does not believe that any creditor will be materially prejudiced if the extension is granted as the Cash Flow Forecast projects that the Companies are forecasted to be able to meet their obligations;
 - f) as of the date of this Fourth Report, the Monitor is not aware of any party opposed to the requested extension; and
 - g) subject to Court approval of the proposed increase to the Interim Financing Facility, the Companies are projected to have sufficient liquidity to fund operations and the costs of these proceedings, as reflected in the Cash Flow Forecast.

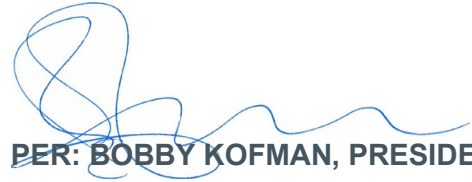
10.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Court grant the relief set out in Section 1.1(1)(h) above.

* * *

All of which is respectfully submitted,

**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS CCAA MONITOR OF THE HALIFAX HERALD LIMITED,
SALTWIRE NETWORK INC., HEADLINE PROMOTIONAL PRODUCTS LIMITED, TITAN
SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS
LIMITED AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**



PER: BOBBY KOFMAN, PRESIDENT

Appendix “A”



2024

Hfx No. 531463

SUPREME COURT OF NOVA SCOTIA

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

AND IN THE MATTER OF A PLAN OR ARRANGEMENT OF SALTWIRE NETWORK INC., THE HALIFAX HERALD LIMITED, HEADLINE PROMOTIONAL PRODUCTS LIMITED, TITAN SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS LIMITED

BETWEEN:

Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP, each by their general partner, Fiera Private Debt GP Inc.

Applicants

-and-

Saltwire Network Inc., The Halifax Herald Limited, Headline Promotional Products Limited, Titan Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited

Respondents



AMENDED & RESTATED INITIAL ORDER

Before the Honourable Justice Keith in chambers:

The Applicants propose to make a compromise or arrangement under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended (the "CCAA") in respect of Saltwire Network Inc., The Halifax Herald Limited, Headline Promotional Products Limited, Titan Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited (collectively, the "Companies") and they applied for an initial order and, now or in the future, other relief under the CCAA as may be sought on notice of motion.

The following parties received notice of this application: see attached as Schedule "A".

The following parties, represented by the following counsel, made submissions:

Party

Counsel

Applicants

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On motion of the Applicants the following is ordered and declared:

SERVICE

1. The service of the notice of application in chambers, and the supporting documents, as set out in the affidavit of service is hereby deemed adequate notice so that the motion is properly returnable today and further service thereof is hereby dispensed with.

APPLICATION

2. The Companies are affiliated debtor companies within the meaning of the CCAA and are companies to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

3. The Companies shall remain in possession and control of their current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further order of this Court, the Companies shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Companies, with the consent of the CRO (defined below), shall be authorized and empowered to continue to retain and employ consultants, agents, experts, accountants, counsel, and such other persons (collectively "**Assistants**") and the employees currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. The Companies may pay the following expenses whether incurred prior to or after this Order:

- a. all outstanding and future wages, salaries, employee and pension benefits, vacation pay, and expenses payable to employees who continue to provide

service on or after the date of this Order ("**Active Employees**"), in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

- b. all existing and future employee health, dental, life insurance, short and long term disability and related benefits (collectively, the "**Group Benefits**") payable on or after the date of this Order to Active Employees, in each case incurred in the ordinary course of business and consistent with existing policies and arrangements or such amended policies and arrangements as are necessary or desirable to deliver the existing Group Benefits; and
- c. with prior written approval of the CRO and the Monitor, the fees and disbursements for any Assistants retained or employed by the Companies in respect of these proceedings, at their reasonable standard rates and charges.

5. Except as otherwise provided to the contrary herein, with the consent of the CRO, the Companies may pay all reasonable expenses incurred by the Companies in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- a. all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance including directors and officers insurance, maintenance, and security services; and
- b. payment for goods or services actually supplied to the Companies following the date of this Order.

6. With the consent of the Monitor and the CRO, the Applicant may make payments owing to suppliers, contractors, subcontractors and other creditors in respect of amounts owing prior to the date of this Order where such payments are deemed by the Applicant to be necessary for the ongoing operation of the Applicant of the preservation of the Property, up to an aggregate limit of \$500,000.

7. The Companies shall remit or pay, in accordance with legal requirements or on terms as may be agreed to between the Companies and the applicable authority:

- a. any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of: i) employment insurance, ii) Canada Pension Plan, iii) Quebec Pension Plan, and iv) income taxes;
- b. all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Companies in connection with the sale of goods and services by the Companies, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- c. any amount payable to the Crown in right of Canada or of any Province or any regulatory or administrative body or any other authority, in all cases in respect of municipal realty, municipal business, or other taxes, assessments or levies of any nature or kind which are: i) entitled at law to be paid in priority to claims of secured creditors; ii) attributable to or in respect of the ongoing Business carried

on by the Companies; and iii) payable in respect of the period commencing on or after the date of this Order.

8. Until such time as the Companies disclaim a real property lease in accordance with the CCAA, the Companies shall pay all amounts constituting rent or payable as rent under real property leases, including, for greater certainty, common area maintenance charges, utilities and realty taxes, and any other amounts payable to the landlord under the lease, or as otherwise may be negotiated between the Companies and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, in accordance with its existing lease agreements. On the date of the first of such payments, any arrears relating to the period commencing from and including the date of this Order shall also be paid.

9. Except as specifically permitted herein or by further order of this Court, the Companies are hereby directed, until further order of this Court: i) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Companies to any of their creditors as of this date without prior written consent of the Monitor; ii) to grant no security interests, trusts, liens, charges, or encumbrances upon or in respect of any of their Property; and iii) to not grant credit or incur liabilities except in the ordinary course of the Business or with the prior written approval of the Monitor.

RESTRUCTURING

10. The Companies shall, with the consent of the CRO and subject to the DIP Documents (defined below), subject to such requirements as are imposed by the Monitor and under any agreements for debtor in possession financing which may be granted, have the right to:

- a. permanently or temporarily cease, downsize or shut down any of their business or operations,

- b. terminate the employment of such of their employees or temporarily lay off such of their employees as it deems appropriate and, as applicable, in accordance with the terms of *any collective agreement*;
- c. pursue all avenues of refinancing of the Business or Property, in whole or part, subject to prior approval of this Court being obtained before any refinancing; and
- d. in accordance with the ordinary course of business, dispose of redundant or nonmaterial assets not exceeding \$100,000 in value.

NO PROCEEDINGS AGAINST THE COMPANIES OR THE PROPERTY

11. Until and including the day of May 3, 2024, or such later date as this Court may order (the "**Stay Period**"), no claim, grievance, application, action, suit, right or remedy, or proceeding or enforcement process in any court, tribunal, or arbitration association (each, a "**Proceeding**") shall be commenced, continued, or enforced against or in respect of any of the Companies or the Monitor, or affecting the Business or the Property, except with the written consent of the Companies, the CRO and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Companies or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

12. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Companies, the CRO or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Companies, the CRO and the Monitor, or leave of this Court, provided that nothing in this Order shall i) empower the Companies to carry on any business

which the Companies are not lawfully entitled to carry on; ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA; iii) exempt the Companies from compliance with statutory or regulatory provisions relating to health, safety, or the environment; iv) prevent the filing of any registration to preserve or perfect a security interest; or v) prevent the registration of a claim for lien and the related filing of an action to preserve the right of a lien holder, provided that the Companies shall not be required to file a defence during the Stay Period.

NO INTERFERENCE WITH RIGHTS

13. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate, or cease to perform any right, renewal right, contract, agreement, licence, or permit in favour of or held by the Companies, including but not limited to renewal rights in respect of existing insurance policies on the same terms, except with the written consent of the Companies, the CRO and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

14. During the Stay Period, all Persons having oral or written agreements with the Companies or statutory or regulatory mandates for the supply of goods or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility, or other services to the Business or the Companies, are hereby restrained until further order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the Companies, and the Companies shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses, and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Companies in accordance with normal

payment practices of the Companies or such other practices as may be agreed upon by the supplier or service provider and each of the Companies, the CRO and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

15. Notwithstanding anything else contained herein, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property, or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Companies.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

16. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current, or future directors or officers of the Companies with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Companies whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Companies, if one is filed, is sanctioned by this Court or is refused by the creditors of the Companies or this Court, these Proceedings are dismissed by final order of this Court, or with leave of this Court.

APPOINTMENT OF CRO

17. David Boyd, as a representative of Resolve Advisory Services Ltd., is hereby appointed Chief Restructuring Officer (the "CRO") over the Companies and shall, subject to the Orders of the Court that have been and may be granted from time to time in these proceedings, have

those powers as are set out in the engagement letter (the "CRO Agreement") attached to affidavit of Russell French sworn March 8, 2024 (the "French Affidavit"), and without limiting the powers set out in the CRO Agreement, is further hereby empowered and authorized to:

- a. approve all of the Companies' receipts and disbursements;
- b. oversee and have access to all elements of the management and operation of the business of the Companies and, without limitation, be shall provided advance details of all proposed sale transactions, including estimated production and transportation cost, price and payment terms;
- c. carry out all obligations of the Companies pursuant to any proposed sale and investment solicitation process or other sale or divestiture of the assets or business of the Companies including, without limitation, executing agreements, instruments, notices, directions, settlements, filings, authorizations and other documents of whatever nature on behalf of each of the Companies in connection therewith;
- d. take steps to cause the Companies, with the approval of the Monitor, to disclaim any agreements to which any of the Companies are party in accordance with the CCAA;
- e. execute all Advance Requests (as defined in the DIP Documents) on behalf of the Companies; and
- f. cause the Companies to administer the Business or the Property as the CRO, in consultation with the Monitor, deems necessary or desirable for the purposes of completing any transaction involving the Business or the Property or for purposes of facilitating distributions to creditors of the Companies.

18. The CRO Agreement is approved and the Companies are authorized to perform all of their obligations pursuant to the CRO Agreement.

19. Neither the CRO nor any employee or agent of the CRO shall be deemed to be a director or trustee of any of the Companies.

20. Neither the CRO nor any officer, director, employee or agent of the CRO, including without limitation, David Boyd, shall incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any liability or obligation incurred as a result of gross negligence or wilful misconduct on its or their part; provided that any liability of the CRO hereunder shall in no event exceed the quantum of the fees paid to the CRO.

21. The fees and expenses payable to the CRO are entitled to the benefit of the Administration Charge (defined below).

APPOINTMENT OF MONITOR

22. KSV Restructuring Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Business and financial affairs of the Companies, the Property, and the Companies' conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and the Companies and their shareholders, officers, directors, employees and Assistants and the CRO shall advise the Monitor of all material steps taken by the Companies or the CRO pursuant to this Order, cooperate fully with the Monitor in the exercise of its powers and discharge of its obligations, and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- a. monitor the Companies' receipts and disbursements;
- b. report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, the activities of the Companies, and such other matters as may be relevant to the proceedings herein;
- c. have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents and to the Business of the Companies, to the extent that is necessary to adequately assess the Companies' Business and financial affairs or to perform its duties arising under this Order;
- d. be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order, including any affiliate of, or person related to the Monitor;
- e. meet and consult with the CRO in respect of any matter pertaining to these proceedings or this Order;
- f. bring motions in these proceedings including, without limitation, for the approval or one or more sale or investment transactions; and
- g. be at liberty to perform such other duties as are required by this Order or by this Court from time to time.

24. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

25. Nothing herein contained shall limit the protections afforded the Monitor at law including those protections set out in the CCAA.

26. All employees of the Companies shall remain the employees of the Companies and shall not be employees of the CRO or the Monitor. Neither the Monitor nor the CRO shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA.

27. The Monitor shall provide any creditor of the Companies or the DIP Lender (defined below) with information provided by the Companies or the CRO in response to reasonable requests for information made in writing by such creditor or the DIP Lender addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Companies or the CRO is confidential, the Monitor shall not provide such information to creditors or the DIP Lender unless otherwise directed by this Court or on such terms as the Monitor, the CRO and the Companies may agree.

28. The Monitor, counsel to the Monitor, counsel to the Applicants and the CRO shall be paid their reasonable fees and disbursements, in each case not to exceed their standard rates and charges, by the Companies as part of the costs of these proceedings. The Companies are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Applicants and the CRO on a monthly basis.

29. The Monitor and its legal counsel shall pass their accounts from time to time before a judge of this court or a referee appointed by a judge.

ADMINISTRATIVE CHARGE

30. The Monitor, the Monitor's counsel, the Applicants' counsel, the CRO and the Companies' restructuring counsel (subject to the Interim Financing Term Sheet, defined below) shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Companies' Property, which charge shall not exceed an aggregate amount of \$450,000 as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 42 and 43 herein.

DIRECTORS' CHARGE

31. The Companies shall indemnify their current directors and officers (including the CRO) (the "**Current Directors and Officers**") against obligations and liabilities that they may incur as directors or officers of the Companies after the commencement of the within proceedings, except that to the extent that with respect to any officer or director, the obligation or liability was incurred as a result of such directors or officers' gross negligence or wilful misconduct.

32. The Current Directors and Officers of the Companies shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Companies' Property, which charge shall not exceed an aggregate amount of \$1.075 million, as security for the indemnity provided in paragraph 31. The Directors' Charge shall have the priority set out in paragraphs 42 and 43 herein.

33. Notwithstanding any language in any applicable insurance policy to the contrary, (i) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (ii) the Current Directors and Officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' or officers' insurance policy, or to the extent such coverage is insufficient to pay amounts indemnified in accordance with paragraph 31 of this Order.

DEBTOR-IN-POSSESSION FINANCING

34. The Companies are hereby authorized and empowered to obtain and borrow under a credit facility from the Applicants (the "**DIP Lender**") in order to finance the Companies' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$1.5 million (the "**DIP Facility**") unless permitted by further order of this Court.

35. The DIP Facility shall be substantially on the terms and subject to the conditions set forth in the amended and restated interim financing term sheet dated as of March 22, 2024 (the "**Interim Financing Term Sheet**") and attached to the first report of the Monitor dated March 19, 2024, as same may be amended from time to time with the Monitor's written consent provided any amendment may not affect a secured creditor's rights without further order of this Court.

36. Without limiting the powers granted to the CRO pursuant to the CRO Agreement and in this Order, ^(J.K. J.) the CRO shall be entitled to and is hereby authorized and empowered to sign the Interim Financing Term Sheet on behalf of the Companies.

37. The Companies or the CRO on behalf of the Companies, are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and

security documents, guarantees and other definitive documents (collectively, the "**DIP Documents**"), as are contemplated by the Interim Financing Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Companies are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations including, on account of any pre-filing obligations, to the DIP Lender under and pursuant to the Interim Financing Term Sheet as and when the same become due and are to be performed, from funds on hand or from funds generated by ordinary course post-filing sales, notwithstanding any other provision of this Order. For certainty, no advance under the DIP Facility shall be used to pay any pre-filing obligations of the Companies.

38. The DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Companies' Property as security for any and all obligations of the Companies under or pursuant to the DIP Facility and the Interim Financing Term Sheet, which charge shall not exceed the aggregate amount owed to the DIP Lender under or pursuant to the DIP Facility and Interim Financing Term Sheet. The DIP Lender's Charge shall have the priority set out in paragraphs 42 and 43 herein.

39. Notwithstanding any other provision of this Order:

- a. the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or the Interim Financing Term Sheet or any of the DIP Documents;
- b. upon the occurrence of an event of default under the Interim Financing Term Sheet or DIP Documents or the DIP Lender's Charge, the DIP Lender, upon five (5) days notice to the Companies, the CRO and the Monitor, may with leave of the Court exercise any and all of its rights and remedies against the Companies

or the Property under or pursuant to the Interim Financing Term Sheet, DIP Documents and the DIP Lender's Charge; and

- c. the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Companies or the Property.

40. The DIP Lender shall be treated as unaffected in any plan under the CCAA, or any proposal filed by the Companies under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Interim Financing Term Sheet or the DIP Documents and with respect to any claims and rights the DIP Lender may have under or pursuant to any agreements related to the DIP Facility.

VALIDITY AND PRIORITY OF THE CHARGES

41. The filing, registration or perfection of the Administration Charge, the Financial Advisor's Charge, the Financial Advisor's Charge (as ^{to be} defined in ^{any} ~~the~~ order approving a sale and investment solicitation process) ~~dated March 22, 2024~~, the DIP Lenders' Charge and the Directors' Charge (collectively, the "Charges") shall not be required and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

42. The priorities of the Charges, as among them, with respect to the Property shall be as follows:

- a. First (pari passu)
 - (i) Administration Charge (to the maximum amount of \$450,000);
 - (ii) The Financial Advisor's Charge (to the maximum amount of \$500,000);

- b. Second – the DIP Lender’s Charge; and
- c. Third – Directors’ Charge to the maximum amount of \$1.075 million).

43. The Charges shall constitute a charge on the Property and shall rank in priority to claims of the following secured creditors: (a) the Applicants; (b) Canada Revenue Agency; and (c) in priority to any other interests, trusts, liens, charges, and encumbrances and claims, statutory or otherwise, in favour of any Person other than those parties with equipment financing liens or leases who finance or lease equipment to the Companies in their ordinary course of business and who have not received notice of this Application.

44. The Companies and beneficiaries of the Charges shall be entitled, upon giving notice to parties likely affected, to seek an order changing the amount of the Charges or providing the Charges shall rank in priority to secured creditors not named in paragraph 43.

45. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Companies shall not grant any encumbrance over any Property that ranks in priority to, or *pari passu* with the Charges unless the Companies also obtain the prior written consent of the beneficiaries of the Charges, or further order of this Court.

46. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the beneficiaries of the Charges shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application for a bankruptcy order issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; or (d) any negative covenants, prohibitions, or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing loan documents, lease, sublease, offer to lease, or other agreement (collectively,

an "Agreement") which binds the Companies, and notwithstanding any provision to the contrary in any Agreement:

- a. the creation of the Charges shall not create or be deemed to constitute a breach by the Companies of any Agreement to which they are party;
- b. none of the beneficiaries of the Charges shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Companies seeking the creation of the Charges; and
- c. the payments made by the Companies pursuant to this Order do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

SERVICE AND NOTICE

47. The Monitor shall: i) without delay, publish in a notice containing the information prescribed under the CCAA, ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Companies of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.

48. The Companies, the CRO and the Monitor may give notice of this Order, any other materials and orders in these proceedings, and any notices, and provide correspondence, by forwarding originals or true copies by prepaid ordinary mail, courier, personal delivery, or electronic transmission to the Companies' creditors or other interested parties at their respective

addresses as last shown on the records of the Companies and any such notice by courier, personal delivery, or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

49. The Companies, the CRO and the Monitor, and any party who has filed a demand of notice may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsel's e-mail addresses as recorded on the service list from time to time, and the Monitor may post a copy of any or all such materials on its website at <https://www.ksvadvisory.com/experience/case/Herald-Saltwire>

GENERAL

50. The Companies, the CRO and the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

51. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, construction lien trustee, or a trustee in bankruptcy of the Companies, the Business or the Property.

52. The aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction outside Nova Scotia, is requested to give effect to this Order and to assist the Companies, the CRO, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Companies, the CRO and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the

Companies, the CRO and the Monitor and their respective agents in carrying out the terms of this Order.

53. Each of the Companies, the CRO and the Monitor may apply to any court, tribunal, or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and the Monitor may act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

54. Any interested party, including the Companies, the CRO and the Monitor, may apply to this Court to vary or amend this Order on such notice required under the *Civil Procedure Rules* or as this Court may order.

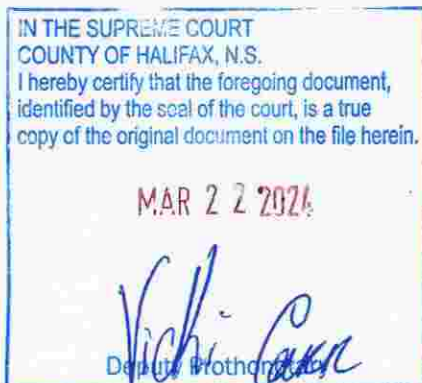
55. This Order and all of its provisions are effective as of 12:01 a.m. Atlantic Standard Time on the 13th day of March, 2024

Issued *March 22*, 20*24*.

Vicki Carr

Prothonotary

VICKI CARR
Deputy Prothonotary



VICKI CARR
Deputy Prothonotary

Schedule A

2024

Hfx No. 531463

SUPREME COURT OF NOVA SCOTIA

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

AND IN THE MATTER OF A PLAN OR ARRANGEMENT OF SALTWIRE NETWORK INC., THE
HALIFAX HERALD LIMITED, HEADLINE PROMOTIONAL PRODUCTS LIMITED, TITAN
SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS
LIMITED

BETWEEN:

Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP,
each by their general partner, Fiera Private Debt GP Inc.

Applicants

-and-

Saltwire Network Inc., The Halifax Herald Limited, Headline Promotional Products Limited, Titan
Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited

Respondents

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Lawyers for the Applicants, Fiera Private Debt
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Monitor

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<p>STEWART MCKELVEY 600-1741 Lower Water St. Halifax, NS</p> <p>Maurice Chiasson Tel: 902.420.3300 Email: mchiasson@stewartmckelvey.com</p> <p>Sara Scott Tel: 902.420.3363 Email: sscott@stewartmckelvey.com</p> <p>Lawyers for the Debtors</p>	<p>RESOLVE ADVISORY SERVICES LTD</p> <p>David Boyd davidboyd.resolve@gmail.com</p> <p>Chief Restructuring Officer</p>
<p>CANADA REVENUE AGENCY Insolvency Division P.O. Box 638, Stn Central 145 Hobsons Lake Drive Halifax, NS B3J 2T5</p> <p>Devon.Steele@cra-arc.gc.ca</p> <p>SHAWINIGAN-SUD NATIONAL VERIFICATION AND COLLECTION CENTRE Canada Revenue Agency 4695 Shawinigan-Sud Blvd. Shawinigan QC G9P 5H9</p>	<p>ATTORNEY GENERAL OF CANADA, DEPARTMENT OF JUSTICE Tax Law Services Atlantic Regional Office Suite 1400, Duke Tower 5251 Duke Street Halifax, NS N3J 1P3</p> <p>AGC_PGC_ARO-BRA@JUSTICE.GC.CA</p> <p>Deanna M. Frappier, K.C. Deanna.frappier@justice.gc.ca</p>

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<p>MANULIFE 2727 Joseph Howe Drive, PO Box 1030 Halifax, NS B3J 2X5</p> <p>Karrie LeDrew Client Relationship Manager, Group Retirement Solutions</p> <p>Tel: 902.718.9674 Email: karrie_ledrew@manulife.ca</p> <p>Administrator of the defined benefit and defined contribution plan of Saltwire Networks Inc. and The Halifax Herald Limited</p>	<p>COX & PALMER LLP Nova Centre – South Tower 1500-1625 Grafton Street Halifax, NS B3J 0E8</p> <p>Kevin Latimer, KC Tel: 902.491.4212 Email: klatimer@coxandpalmer.com</p> <p>John T.G. Boyle Tel: 902.491.4137 Email: jboyle@coxandpalmer.com</p> <p>Lawyers for Transcontinental Nova Scotia Media Group Inc.</p>
<p>ECKLER LTD. 1969 Upper Water Street, Suite 503 Halifax, NS B3J 3R7</p> <p>Philip Churchill Tel: 902.490.3306 Email: pchurchill@eckler.ca</p>	

PPSA REGISTRANTS

XEROX CANADA LTD. 20 York Mills Rd, Suite 500 Box 700 Toronto, ON N2P 2C2	HYUNDAI CAPITAL LEASE INC. 123 Front Street, Suite 1000 Toronto ON M5J2M3
THE TORONTO-DOMINION BANK – 54203 1785 Barrington St. Po Box 427 Halifax, Nova Scotia B3J 2P8	THE TORONTO DOMINION BANK – 54213 7071 Bayers Rd. Halifax, Nova Scotia B3L 2C2 Kirk Milligan, Manager
CISCO SYSTEMS CAPITAL CORPORATION 170 W. Tasman Drive MS SJ13-3 San Jose, CA 95134 USA	WELLS FARGO EQUIPMENT FINANCE COMPANY 1290 Central Parkway W. Suite 1100 Mississauga, ON L5C 4R3
LBEL INC. 5035 South Service Rd Burlington, ON L7L 6M9	KIA FINANCE 123 Front Street, Suite 1000 Toronto ON M5J2M3 Canada
THE BANK OF NOVA SCOTIA 10 Wright Boulevard Stratford, ON N5A 7X9	DE LAGE LANDEN FINANCIAL SERVICES CANADA INC. 3450 Superior Court, Unit 1 Oakville, ON L6L 0C4

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Appendix “B”

2024

Hfx No. 531463

SUPREME COURT OF NOVA SCOTIA

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

AND IN THE MATTER OF A PLAN OR ARRANGEMENT OF SALTWIRE NETWORK INC.,
THE HALIFAX HERALD LIMITED, HEADLINE PROMOTIONAL PRODUCTS LIMITED, TITAN
SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS
LIMITED

BETWEEN:

Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP,
each by their general partner, Fiera Private Debt GP Inc.

Applicants

-and-

Saltwire Network Inc., The Halifax Herald Limited, Headline Promotional Products Limited, Titan
Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited

Respondents



SISP APPROVAL ORDER

Before the Honourable Justice Keith in chambers:

The Applicants applied for relief under to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended (the "**CCAA**") in respect of Saltwire Network Inc. ("**Saltwire**"), The Halifax Herald Limited ("**The Herald**"), Headline Promotional Products Limited, Titan Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited, including an initial order which was granted, and further orders on further motion;

The Applicants now move for an order (i) approving a sale and investment solicitation process substantially in the form attached hereto as Schedule "B" (the "**SISP**") in respect of the business and assets of Saltwire and The Herald (the "**Companies**"); (ii) authorizing and

directing FTI Capital Advisors – Canada ULC (the “**Financial Advisor**”), to conduct the SISP; and (iii) authorizing KSV Restructuring Inc., in its capacity as monitor (the “**Monitor**”) to supervise and oversee the SISP in accordance with the terms of the SISP.

The following parties received notice of this motion: see attached as Schedule “A”.

The following parties, represented by the following counsel, made submissions:

<u>Party</u>	<u>Counsel</u>
Applicants	<p>Norton Rose Fulbright Canada LLP 222 Bay Street, Suite 3000 Toronto, ON M5K 1E7</p> <p>Jennifer Stam Tel: 416.202.6707 Email: Jennifer.stam@nortonrosefulbright.com</p> <p>-and-</p> <p>BOYNECLARKE LLP 99 Wyse Road, Suite 600 Dartmouth, Nova Scotia B3A 4S5</p> <p>Joshua J. Santimaw Tel: 902.460.3451 jsantimaw@boyneclarke.com</p>
Companies	<p>Stewart McKelvey 600-1741 Lower Water Street Halifax, Nova Scotia</p> <p>Maurice Chiasson Tel: 902.420.3300 Email: mchiasson@stewartmckelvey.com</p> <p>Sara Scott Tel: 902.420.3363 Email: sscott@stewartmckelvey.com</p>
Monitor, KSV Restructuring Inc.	<p>Chaitons LLP 5000 Yonge Street, 10th Floor Toronto, ON M2N 7E9</p> <p>George Benchetrit 416.218.1141 george@chaitons.com</p>

-and-

Burchell Wickwire Bryson LLP
1801 Hollis Street, Suite 1800
Halifax, NS B3J 3N4

Marc Dunning
Tel: 902.482.7017
Email: mdunning@bwblp.ca

On motion of the Applicants the following is ordered and declared:

SERVICE

1. The service of the notice of motion in chambers, and the supporting documents, as set out in the affidavit of service is hereby deemed adequate notice so that the motion is properly returnable today and further service thereof is hereby dispensed with.

INTERPRETATION

2. The Capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them under the SISP, as the case may be.

FINANCIAL ADVISOR ENGAGEMENT LETTER

3. The engagement letter dated as of March 14, 2024 by and among, the Financial Advisor and the Companies (the "**Financial Advisor Engagement Letter**") is hereby approved.

4. The Financial Advisor shall have the benefit of a charge, which charge shall not exceed the aggregate amount of \$500,000 as security for the Fees as defined in and payable under the Financial Advisor Engagement Letter (the "**Financial Advisor's Charge**"). The Financial Advisor's Charge shall have the priority afforded to it in paragraphs 42 and 43 of the Initial Order.

APPROVAL OF SALE AND INVESTMENT SOLICITATION PROCESS

5. The SISP is hereby approved.
6. The Financial Advisor is authorized and directed to take such steps as it deems necessary or advisable to carry out and perform its obligations under the SISP.
7. The Financial Advisor and its respective affiliates, partners, employees, representatives and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of the Financial Advisor in performing its obligations under the SISP as determined by this Court.
8. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Financial Advisor and the Monitor are each hereby authorized and permitted to disclose and transfer to potential bidders (the "**Bidders**") and to their advisors, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Companies' records pertaining to their past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale of the Property ("**Sale**") or investment in the Companies ("**Investment**"). Each Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale or Investment, and if it does not complete a Sale or Investment, shall return all such information to the Financial Advisor or the Monitor (or as they may direct), or in the alternative destroy all such information. The successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the successful Bid(s), shall be entitled to use the personal information provided

to it that is related to the Property acquired pursuant to the Sale in a manner which is in all material respects identical to the prior use of such information by the Companies, and shall return all other personal information to the Financial Advisor or the Monitor (or as they may direct) or ensure that all other personal information is destroyed.

MONITOR'S AUTHORIZATION

9. Without limiting the powers and authority provided to the Monitor in the Initial Order, the Monitor is authorized to supervise and oversee the SISP in accordance with the terms of the SISP. The Monitor shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of the Monitor in performing its obligations under the SISP as determined by this Court.

10. The Monitor and its counsel are hereby authorized, but not obligated, to serve or distribute this Order, any other materials, orders, communication, correspondence or other information as may be necessary or desirable in connection with the SISP to any Person (as defined in the Initial Order dated March 13, 2024) or interested party that the Monitor considers appropriate. For greater certainty, any such distribution, communication or correspondence shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of Section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

11. The aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States is hereby requested, to give effect to this Order

and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

12. Each of the Applicants and the Monitor is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

13. This Order and all of its provisions are effective as of 3 ~~am~~/p.m Atlantic Standard/Daylight Time on the 25th day of MARCH, 2024.

Issued March 26, 20 24.

Gael O'Keefe

GAEL O'KEEFE
~~Prothonotary~~ Deputy Prothonotary

Deemed to be a true and correct copy
of original document herein

Date March 26, 2024
Gael O'Keefe
GAEL O'KEEFE
Deputy Prothonotary

Schedule A

2024

Hfx No. 531463

SUPREME COURT OF NOVA SCOTIA

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

AND IN THE MATTER OF A PLAN OR ARRANGEMENT OF SALTWIRE NETWORK INC., THE
HALIFAX HERALD LIMITED, HEADLINE PROMOTIONAL PRODUCTS LIMITED, TITAN
SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS
LIMITED

BETWEEN:

Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP,
each by their general partner, Fiera Private Debt GP Inc.

Applicants

-and-

Saltwire Network Inc., The Halifax Herald Limited, Headline Promotional Products Limited, Titan
Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited

Respondents

SERVICE LIST

<p>NORTON ROSE FULBRIGHT CANADA LLP 222 Bay Street, Suite 3000, P.O. Box 53 Toronto, ON M5K 1E7</p> <p>Jennifer Stam Tel: 416.202.6707 jennifer.stam@nortonrosefulbright.com</p> <p>Katie Parent katie.parent@nortonrosefulbright.com</p> <p>-and-</p> <p>BOYNECLARKE LLP 99 Wyse Road, Suite 600 Dartmouth, Nova Scotia B3A 4S5</p> <p>Joshua J. Santimaw Tel: 902.460.3451 jsantimaw@boyneclarke.com</p> <p>Lawyers for the Applicants, Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP</p>	<p>KSV RESTRUCTURING INC. 220 Bay Street, Suite 1300 Toronto Ontario M5J 2W3</p> <p>Bobby Kofman Tel: 416.932.6228 Email: bkofman@ksvadvisory.com</p> <p>Mitch Vininsky Tel: 416.932.6013 Email: mvininsky@ksvadvisory.com</p> <p>Monitor</p>
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<p>CHAITONS LLP 5000 Yonge Street 10th Floor Toronto, ON M2N 7E9</p> <p>George Benchetrit 416.218.1141 george@chaitons.com</p> <p>Lawyers for the Monitor</p>	<p>BURCHELL WICKWIRE BRYSON LLP 1801 Hollis Street, Suite 1800 Halifax, NS B3J 3N4</p> <p>Marc Dunning Tel: 902.482.7017 Email: mdunning@bwblp.ca</p> <p>Lawyers for the Monitor (Local Counsel)</p>
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<p>CANADA REVENUE AGENCY Insolvency Division P.O. Box 638, Stn Central 145 Hobsons Lake Drive Halifax, NS B3J 2T5</p> <p>Devon.Steele@cra-arc.gc.ca</p> <p>SHAWINIGAN-SUD NATIONAL VERIFICATION AND COLLECTION CENTRE Canada Revenue Agency 4695 Shawinigan-Sud Blvd. Shawinigan QC G9P 5H9</p>	<p>ATTORNEY GENERAL OF CANADA, DEPARTMENT OF JUSTICE Tax Law Services Atlantic Regional Office Suite 1400, Duke Tower 5251 Duke Street Halifax, NS N3J 1P3</p> <p>AGC_PGC_ARO-BRA@JUSTICE.GC.CA</p> <p>Deanna M. Frappier, K.C. Deanna.frappier@justice.gc.ca</p>

<p>CAVALLUZZO LLP BARRISTERS AND SOLICITORS 474 Bathurst Street, Suite 300 Toronto, ON M5T 2S6</p> <p>Balraj Dosanjh Email: bdosanjh@cavalluzzo.com</p> <p>Sean FitzPatrick Email: sfitzpatrick@cavalluzz.com</p> <p>Sama Sayegh Email: ssayegh@cavalluzzo.com</p> <p>Lawyers for the CWA Cape Breton Post, Halifax Typographical Union – Editorial and Halifax Typographical Union – Press</p>	<p>UNITED FOOD AND COMMERCIAL WORKERS OF CANADA, LOCAL 1252 (UFCW CANADA, LOCAL 1252) 120 Lemarchant Rd St. John's, NFLD A1C 2H2 Tel: 709.753.8830</p> <p>Sandra Corbett Email: scorbett@ufcw.nf.net</p>
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PPSA REGISTRANTS

<p>XEROX CANADA LTD. 20 York Mills Rd, Suite 500 Box 700 Toronto, ON N2P 2C2</p>	<p>HYUNDAI CAPITAL LEASE INC. 123 Front Street, Suite 1000 Toronto ON M5J2M3</p>
<p>THE TORONTO-DOMINION BANK – 54203 1785 Barrington St. Po Box 427 Halifax, Nova Scotia B3J 2P8</p>	<p>THE TORONTO DOMINION BANK – 54213 7071 Bayers Rd. Halifax, Nova Scotia B3L 2C2</p> <p>Kirk Milligan, Manager</p>
<p>CISCO SYSTEMS CAPITAL CORPORATION 170 W. Tasman Drive MS SJ13-3 San Jose, CA 95134 USA</p>	<p>WELLS FARGO EQUIPMENT FINANCE COMPANY 1290 Central Parkway W. Suite 1100 Mississauga, ON L5C 4R3</p>
<p>LBEL INC. 5035 South Service Rd Burlington, ON L7L 6M9</p>	<p>KIA FINANCE 123 Front Street, Suite 1000 Toronto ON M5J2M3 Canada</p>
<p>THE BANK OF NOVA SCOTIA 10 Wright Boulevard Stratford, ON N5A 7X9</p>	<p>DE LAGE LANDEN FINANCIAL SERVICES CANADA INC. 3450 Superior Court, Unit 1 Oakville, ON L6L 0C4</p>

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Schedule B

Sale and Investment Solicitation Process

Introduction

On March 12, 2024, upon application by Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP, each by their general partner, Fiera Private Debt GP Inc. (collectively, the “**Applicants**”) the Supreme Court of Nova Scotia (the “**Court**”) granted an Initial Order (as amended and restated and as may be further amended from time to time, the “**Initial Order**”) commencing proceedings pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**” and the “**CCAA Proceedings**”) in respect of Saltwire Network Inc. (“**Saltwire**”), the Halifax Herald Limited (“**The Herald**”), Headline Promotional Products Limited (“**Headline**”), Titan Security & Investigation Inc. (“**Titan**”), Brace Capital Limited and Brace Holdings Limited.

Pursuant to the Initial Order, KSV Restructuring Inc. was appointed by the Court as the monitor in the CCAA Proceedings (the “**Monitor**”) and Resolve Advisory Services Ltd., through the services of David Boyd, was appointed as chief restructuring officer (the “**CRO**”) in the CCAA Proceedings.

Saltwire and The Herald (collectively, the “**Companies**”), through the CRO, have retained FTI Capital Advisors – Canada ULC (the “**Financial Advisor**”) pursuant to a revised engagement letter dated March 14, 2024, to conduct a sale and investment solicitation process (“**SISP**”) under the supervision of the Monitor and with approval of the Court, pursuant to which all interested parties will be provided with an opportunity to participate in the SISP. The SISP will continue the pre-filing efforts of Financial Advisor in soliciting interests for the assets and/or the business of the Companies, which efforts were commenced by the Financial Advisor on November 6, 2023 pursuant to an engagement letter dated October 18, 2023.

This document outlines the SISP, comprised of two phases (“**Phase 1**” and “**Phase 2**”, respectively).

Opportunity

1. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of assets and business operations of the Companies (the “**Opportunity**”) which includes principally, the assets or shares relating to the media businesses owned by the Companies (the “**Business**”).
2. The Opportunity may include one or more of:
 - (a) a restructuring, recapitalization or other form of reorganization of the business and affairs of the Companies (or some of them) as a going concern; and

- (b) subject to 3, a sale of all, any or all of the assets or shares relating to the Business (the “**Property**”) as a going concern.
- 3. For greater certainty, the Opportunity shall not include the sale or restructuring of Titan, Headline or the real property owned by the Companies (the “**Real Property**”) on a stand-alone basis.
- 4. Prior to the date of the Initial Order, the Companies, with the assistance of the Financial Advisor, had been conducting a pre-filing sale and investment solicitation process (the “**Pre-filing SISP**”) in respect of the Business. From and after the date of the SISP Order, the Pre-filing SISP will be continued under, and be governed by, this SISP. Further, and for greater certainty, any previously submitted non-binding letter of interest shall not be considered an LOI for the purposes of the SISP unless re-submitted in accordance with the terms set out herein.

Timeline

- 5. The following table sets out the key milestones under the SISP:

Milestone	Deadline
Commencement of the SISP	March 26, 2024
Phase 1 Bid Deadline	5pm ADT, April 25, 2024 (“ Phase 1 Bid Deadline ”)
Phase 2 Bid Deadline	5pm ADT, May 24, 2024 (“ Phase 2 Bid Deadline ”)
Court Approval Date	No later than June 28, 2024
Closing Date Deadline	July 31, 2024

Subject to the terms provided for herein or any order of the Court, these dates may be extended by the Monitor in consultation with the CRO and the Financial Advisor pursuant to this SISP.

Nothing herein shall prevent an interested from submitting a letter of intent or expression of interest prior to any deadline in the table above.

Solicitation of Interest: Notice of the SISP

- 6. As soon as reasonably practicable, but in any event by no later than March 26, 2024:
 - (a) In consultation with the Monitor and the CRO, the Financial Advisor shall contact again those parties canvassed as part of the Pre-filing SISP to determine whether they now have an interest in this Opportunity in light of the commencement of these proceedings, pursuant to the process in paragraph 7 below. Additionally, the Financial Advisor, in consultation with the Monitor and the CRO, will contact any

additional parties it believes may have an interest in this Opportunity, including parties that have approached the Companies, the Financial Advisor or the Monitor indicating an interest in the Opportunity (collectively, “**Known Potential Bidders**”);

- (b) the Monitor will cause a notice of the SISP (the “**Notice**”) to be published in The Globe and Mail (National Edition) and the relevant media company newspapers, and any other newspaper or journals as the CRO, Monitor and Financial Advisor, consider appropriate, if any;
 - (c) the CRO will cause the Companies to issue a press release with Canada Newswire setting out the information contained in the Notice and such other relevant information which the CRO, Financial Advisor and the Monitor, consider appropriate, designating dissemination in Canada and major financial centres in the United States; and
 - (d) the Financial Advisor, in consultation with the Monitor and the CRO, 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; and
 - (ii) a non-disclosure agreement in form and substance satisfactory to the Financial Advisor and the Monitor, in consultation with the CRO and consistent with the form and substance of the non-disclosure agreement previously executed by interested parties under the Pre-filing SISP (an “**NDA**”).
7. The Financial Advisor will send the Teaser Letter and NDA to all Known Potential Bidders by no later than March 26, 2024 and to any other party who request a copy of the Teaser Letter and NDA or who is identified to the CRO, the Monitor or the Financial Advisor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

PHASE 1: NON BINDING LOIs

Qualified Bidders and Delivery of Confidential Information Package

8. Any party who wishes to participate in the SISP (a “**Potential Bidder**”) must provide to the Financial Advisor:
- (a) A written acknowledgement which confirms receipt of this SISP Approval Order (including these SISP Procedures) and contains an agreement to accept and be bound by the terms of that Order;
 - (b) An NDA executed by it, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder – unless the Financial Advisor confirms to such Potential Bidder that those documents were already provided to the satisfaction of the Financial Advisor and the Monitor,

9. If it is determined by the Financial Advisor and the Monitor in their reasonable business judgement, and in consultation with the CRO that a Potential Bidder: (i) has satisfied the requirements of paragraph 8 above; (ii) has a *bona fide* interest in completing a Sale Proposal or Investment Proposal; (iii) has delivered an NDA; and (iv) and has the financial capability based on the availability of financing, experience and other considerations, as determined by the Financial Advisor and the CRO, in consultation with the Monitor, to be able to consummate a sale or investment transaction pursuant to the SISP, then such Potential Bidder will be deemed to be a “**Phase 1 Qualified Bidder**”; provided that no Potential Bidder shall be deemed not to be a Phase 1 Qualified Bidder.
10. At any time during Phase 1 of the SISP, the Financial Advisor and the CRO, with the consent of the Monitor, may eliminate a Phase 1 Qualified Bidder from the SISP, in which case such bidder will be eliminated from the SISP.
11. The Financial Advisor, with the assistance of the CRO and the Monitor, will prepare and send to each Phase 1 Qualified Bidder a confidential information package providing additional information considered relevant to the Opportunity (the “**Confidential Information Package**”). The Financial Advisor, the CRO, the Companies, the Monitor and their respective advisors make no representation or warranty as to the information contained in the Confidential Information Package or otherwise 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 ultimately executed and delivered by the Companies.
12. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and the Business in connection with their participation in the SISP and any transaction they enter into pursuant to this SISP.

Due Diligence

13. The Financial Advisor and the CRO, in consultation with the Monitor, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Phase 1 Qualified Bidder such access to due diligence materials and information relating to the Property and the Business as they deem appropriate. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Phase 1 Qualified Bidder may reasonably request and as to which the Financial Advisor and the Monitor, in their reasonable business judgment and after consulting with CRO, may agree. The Financial Advisor, with the assistance of the Monitor, will 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 Companies, the Financial Advisor and the Monitor will be obligated to furnish any information relating to the Property or the 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 Financial Advisor the CRO, in consultation with the Monitor, determine such information to represent proprietary or sensitive competitive information.

14. If any officer, director, professional advisor, or employee of the Companies has information which could prove useful or valuable to any bidder (including, without limitation Mark Lever, Sarah Dennis, the CFO and the COO or any other employee of the Companies with such information):
- (a) is asked to participate in due diligence being performed by a purchaser or investor, including management meetings; or
 - (b) is or may be a member of a purchaser or investor group
- (each, a “**Management Member**”)

Then (i) any such Management Member shall be required to advise the Financial Advisor and Monitor of this potential interest. This information shall be provided to the Financial Advisor and Monitor immediately upon the Management Member being asked to participate in due diligence or becoming (or may become) a member of a purchaser or investor group and, in any event, before any management meeting occurs; (ii) competing interested parties shall be advised of the Management Member’s potential involvement with another bid by the Financial Advisor or the Monitor; (iii) the Management Member will only be entitled to participate in the meetings with the consent of the interested party; and (iv) the management meeting will be supervised by either or both of the Financial Advisor and the Monitor. The Monitor reserves the right to implement such other procedures as it considers necessary to address any confidentiality issues that may arise during the conduct of the SISP. If a Management Member fails to disclose its interest or potential interest in a transaction prior to meeting with another interested party, the Monitor shall have the right to preclude that individual or the group with he or she is involved from participating in the SISP.

Non-Binding Letters of Intent from Phase I Qualified Bidders

15. A Phase I Qualified Bidder that wishes to pursue the Opportunity further must deliver a non-binding letter of interest (an “**LOI**”) to the Financial Advisor and the Monitor in the manner specified in Schedule “I” hereto, so as to be received by them not later the Phase I Bid Deadline.
16. Subject to paragraph 17, an LOI so submitted will be considered a qualified LOI (a “**Qualified LOI**”) only if:
- (a) it is submitted on or before the Phase I Bid Deadline by a Phase I Qualified Bidder;
 - (b) it contains an indication of Phase I Qualified Bidder’s offer to:
 - (i) acquire all, substantially all or a portion of the Property (a “**Sale Proposal**”) and clearly identifies which Property it intends to acquire, or
 - (ii) make an investment in, restructure, reorganize or refinance the Business/the Companies (an “**Investment Proposal**”) and clearly identifies which

Business/Companies it intends to make an investment in, restructure, reorganize or refinance;

- (c) in the case of a Sale Proposal, it identifies or contains the following:
 - (i) the purchase price or price range 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 the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - (iii) a specific indication of the financial capability of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction;
 - (iv) the key material contracts and leases, if any, the Phase 1 Qualified Bidder wishes to acquire and the Qualified Phase 1 Bidder's proposed treatment of any related cure costs;
 - (v) a description of the conditions and approvals required for 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;
- (d) 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;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the Business/the Companies 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 conditions and approvals required for 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;
 - (vii) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose; and

- (viii) any other terms or conditions of the Investment Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;
 - (e) in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by the Financial Advisor and the Monitor in consultation with the CRO.
17. Unless otherwise ordered by the Court, the Monitor in consultation with the Financial Advisor and the CRO, 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

18. Following the Phase 1 Bid Deadline, the Financial Advisor and the CRO, in consultation with the Monitor, will assess the LOIs and shall determine whether an LOI is a Qualified LOI. A summary of all LOIs shall be provided to the Applicants forthwith after receipt. If it is determined by the Financial Advisor and the Monitor, in consultation with the CRO, 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 a “**Phase 2 Qualified Bidder**”. Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP.
19. As part of the assessment of Qualified LOIs and the determination of the process subsequent thereto, the Financial Advisor and the CRO, in consultation with the Monitor, and after consultation with the Applicants, shall determine the process and timing to be followed in pursuing Qualified LOIs based on such factors and circumstances as they consider appropriate in the circumstances including, but not limited to: (i) the number of Qualified LOIs received, (ii) the scope of the Property or Business to which any Qualified LOIs may relate, and (iii) whether to proceed by way of sealed bid or auction (with or without a stalking horse bidder) with respect to some or all of the Property.
20. Upon the determination by the Financial Advisor and the CRO in consultation with the Monitor and the Applicants, of the manner in which to proceed to Phase 2 of the SISP, the Financial Advisor, in consultation with the Monitor, the CRO and the Applicants, will prepare a bid process letter for Phase 2 (the “**Bid Process Letter**”), and the Bid Process Letter will be (i) sent by the Financial Advisor to all Phase 2 Qualified Bidders, and (ii) posted by the Monitor on the website the Monitor maintains in respect of this CCAA proceeding.

PHASE 2: FORMAL OFFERS AND SELECTION OF SUCCESSFUL BIDDER

21. Paragraphs 22 to 31 below and the conduct of Phase 2 are subject to paragraphs 18 to 20, above, and any adjustments made to Phase 2 in accordance with the Bid Process Letter and any further Court order regarding the SISP.

Formal Binding Offers

22. Phase 2 Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Business or the Property (or any of it) shall submit a binding offer that complies with all of the following requirements to the Financial Advisor and the Monitor as specified in Schedule "I" hereto, so as to be received by them not later than the Phase 2 Bid Deadline or as may be modified in the Bid Process Letter, in consultation with and with the CRO and the Applicants by 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) the bid clearly identifies which of the Property it relates to and is on terms and conditions reasonably acceptable to the Financial Advisor and the Monitor, in consultation with the CRO;
 - (c) it indicates whether the bid includes the acquisition of the litigation claim of Saltwire against Transcontinental Nova Scotia Media Group Inc., et. al. and provides an allocated purchase price to the same;
 - (d) the bid indicates the number of employees of the Companies that the Phase 2 Qualified Bidder intends to hire;
 - (e) the bid confirms that any applicable collective agreements will be assumed by the Phase 2 Qualified Bidder;
 - (f) the bid includes a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder or a Back Up Bidder (defined below), its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder or, in the case of a Back Up Bid (defined below), that it shall remain irrevocable until the later of the closing of the transaction with the Successful Bidder or the closing of the transaction contemplated by the Back Up Bid, if the Successful Bid has failed (the "**Back Up Bid Expiration Date**");
 - (g) the bid includes duly authorized and executed transaction agreements, including the purchase price or investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto;

- (h) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Financial Advisor and the CRO, in consultation with the Monitor to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
 - (i) the bid is not conditioned on the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, apart from, to the extent applicable, to the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld in Phase 1 from the Phase 1 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) the bid is accompanied by a non-refundable deposit in the amount of not less than 10% (the "**Deposit**") of the purchase price or transaction value (as determined by the Financial Advisor, in consultation with the Monitor and the CRO) by wire transfer of immediately available funds, which deposit shall be retained by the Monitor in a non-interest bearing trust account in accordance with paragraph 44;
 - (l) the bid includes acknowledgments and representations of the Phase 2 Qualified Bidder that: (i) has had an opportunity to conduct any and all due diligence regarding the Property, the Business and the Companies prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were 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, whether express, implied, statutory or otherwise, regarding the Business, Property, or the Companies or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) entered into in connection with a transaction;
 - (m) the bid is received by the Phase 2 Bid Deadline; and
 - (n) the bid contemplates closing the transaction set out therein on or before July 31, 2024 (the "**Closing Date**").
23. Following the Phase 2 Bid Deadline, the Financial Advisor and the CRO, in consultation with the Monitor, will assess the Phase 2 bids received and, for greater certainty, copies of all Phase 2 bids shall be provided forthwith after receipt to the Applicants unless the Applicants have become a Phase 2 Qualified Bidder. The Financial Advisor and the CRO, in consultation with the Monitor, will designate the most competitive bids that comply with the foregoing requirements to be "Qualified Bids". No Phase 2 bids received shall be deemed not to be Qualified Bids without the approval of the Monitor. Only Phase 2

Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).

24. The Monitor, in consultation with the Financial Advisor and the CRO, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified Bid
25. The Financial Advisor shall notify each Phase 2 Qualified Bidder in writing as to whether its bid constituted a Qualified Bid within five (5) business days of the expiration of the Phase 2 Bid Deadline, or at such later time as the Financial Advisor and the Monitor, in consultation with the CRO and the Applicants, deem appropriate.
26. If the Financial Advisor and the CRO, with the consent of the Monitor, are not satisfied with the number or terms of the Qualified Bids or otherwise believe that the SISP would benefit from extending the Phase 2 Bid Deadline, the Financial Advisor and the CRO, with the consent of the Monitor and subject to paragraph 40, may extend the Phase 2 Bid Deadline provided that the Phase 2 Bid Deadline shall not be extended for more than 10 business days without the approval of the Monitor or Order of the Courts.
27. The Financial Advisor and the CRO, with the consent of the Monitor, may aggregate separate bids from unaffiliated Phase 2 Qualified Bidders to create one "Qualified Bid".

Evaluation of Competing Bids

28. A Qualified Bid will be valued based upon several factors, including, without limitation, items such as the Purchase Price and the net value provided by such bid, the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions, 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, and the likelihood and timing of consummating such transactions, each as determined by the Financial Advisor and the Monitor, in consultation with the CRO.

Selection of Successful Bids

29. Subject to the Bid Process Letter, the Financial Advisor, the CRO and the Monitor:
 - (a) will review and evaluate each Qualified Bid, provided that each Qualified Bid may be negotiated among the Financial Advisor, in consultation with the Monitor and the CRO, and the applicable Phase 2 Qualified Bidder, and may be amended, modified or varied to improve such Phase 2 Qualified Bid as a result of such negotiations, and
 - (b) may
 - (i) identify the highest or otherwise best bid or bids (each, a "**Successful Bid**", and the Phase 2 Qualified Bidder making each such Successful Bid, a "**Successful Bidder**") for any particular Property or Business in whole or part; and/or

- (ii) Identify one or more Qualified Bids to be accepted on a conditional basis subject to the failure of the transaction(s) contemplated by the Successful Bid(s) (a “**Back Up Bid**” and such Phase 2 Qualified Bidder, a “**Back Up Bidder**”); and/or
 - (iii) (ii) direct such Phase 2 Qualified Bidders to participate in an auction (“**Auction**”) to be conducted and administered by the Monitor in accordance with the Auction Procedures Letter (defined below), with the assistance of the Financial Advisor and the CRO. The determination of any Successful Bid and Back Up Bid by the Financial Advisor and the CRO, with the concurrence of the Monitor and in consultation with the Applicants, shall be subject to approval by the Court.
30. In the event that it is determined that there is to be an Auction in respect of some or all of the Property or Business, the Auction shall be governed by an auction procedures letter (“**Auction Procedures Letter**”) to be prepared by the Monitor and sent to all applicable Phase 2 Qualified Bidders setting out, among other things, (a) the date, time and location of the Auction (including whether in person or by videoconference); (b) the amount of the starting bid; and (c) the initial minimum overbid.

Sale Approval Motion Hearing

31. At the hearing of the motion to approve any transaction with a Successful Bidder or Successful Bidders (the “**Sale Approval Motion**”), the Monitor shall seek, among other things, approval from the Court to consummate any Successful Bid.

Confidentiality and Access to Information

32. All discussions regarding a Sale Proposal, Investment Proposal, LOI or Phase 2 bid should be directed through the Financial Advisor. Under no circumstances should the management of the Companies be contacted directly without the prior consent of the Financial Advisor and the Monitor. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP process, in the discretion of the Monitor.
33. 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, 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 CRO, the Financial Advisor, the Monitor and such other bidders or Potential Bidders in connection with the SISP, except to the extent the Financial Advisor and the CRO, with the consent of the Monitor, and consent of the applicable participants, are seeking to combine separate bids from Phase I Qualified Bidders or Phase 2 Qualified Bidders.
34. Without limiting the rights of the Applicants herein, the Financial Advisor and the Monitor may consult with any other parties with a material interest in the CCAA proceedings, including the Applicants, regarding the status and material information and developments relating to the SISP to the extent considered appropriate by the Monitor in consultation

with the Financial Advisor, provided that such parties (other than the Applicants) shall have entered into confidentiality arrangements satisfactory to the Financial Advisor and the Monitor. The Financial Advisor and/or the Monitor may discuss the status of the SISP throughout the conduct of the SISP.

Supervision of the SISP

35. The Monitor will oversee, in all respects, the conduct of the SISP by the Financial Advisor and, without limitation to that supervisory role, the Monitor will participate in the SISP in the manner set out in herein, in any Bid Process Letter and the Initial Order and is entitled to receive all information in relation to the SISP.
36. This SISP does not and will not be interpreted to create any contractual or other legal relationship between the Companies and any Phase I 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 in connection with a Successful Bid.
37. Without limiting the preceding paragraph, neither the Financial 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, the Successful Bidder, the Companies, the Applicants or any other creditor or other stakeholder of the Companies, for any act or omission related to the process contemplated herein. 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 Monitor or the Financial Advisor for any reason whatsoever.
38. 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.
39. Subject to the limitations in paragraph 40, the Financial Advisor, with the consent of the Monitor, or order of the Court, shall have the right to modify the SISP (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; provided that the Service List in this CCAA proceeding shall be advised of any substantive modification to the procedures set forth herein. Any material amendment to the SISP, in the opinion of the Monitor, will require the consent of the Applicants. However, for clarity and irrespective of the Applicants' foregoing consent rights, the Monitor shall seek the Court's approval for any material changes to the SISP.
40. The deadlines provided for in this SISP may be extended in the discretion of the Financial Advisor and the Monitor provided that the aggregate discretionary extensions shall not exceed 15 business days. In the event that any one milestone deadline is extended, all subsequent milestones shall be extended by the same number of days and a revised timetable shall be provided to all applicable interested parties and posted on the Monitor's website.

Miscellaneous

41. Notwithstanding the other provisions of the SISP, the Monitor may, in consultation with the CRO, the Financial Advisor and the Applicants, at any time bring a motion:
 - (a) to seek approval of a stalking horse agreement in respect of some or all of the Property and related bid procedures in respect of such Property or to establish further or other procedures for Phase 2; and/or
 - (b) to seek approval to terminate the SISP if (i) no *bona fide* purchasers or investors, in the opinion of the Monitor are participating in the SISP; or (ii) the Applicants, acting reasonably, have advised the Financial Advisor and the Monitor that none of the LOIs submitted in phase 1 will result in a transaction acceptable to the Applicants, and after consideration, the Financial Advisor, CRO and the Monitor concur with that view or (iii) the Applicants, acting reasonably, have advised the Financial Advisor, the CRO and the Monitor that none of the offers submitted in phase 2 will result in a transaction acceptable to the Applicants, and after consideration, the Financial Advisor, the CRO and the Monitor concur with that view; and/or
 - (c) to seek approval of a transaction for any of the Real Property, provided that prior to the completion of the SISP, such Real Property sale does not impair the ability to complete a transaction for the Business; and/or
 - (d) to seek approval of a transaction for certain Property of some or all of the Companies of de minimis value and which the Monitor, in consultation with the CRO and Financial Advisor, can be sold independently of the Business.
42. In the event that the SISP is terminated in connection with paragraph 41(b) above, the Applicants shall not, by virtue of having not participated in the SISP, be disqualified from submitting an offer for the Business on the basis of a credit bid or otherwise. For clarity, it is the strong preference of the Applicants to find a solution that results in a transaction where the Applicants are not the controlling shareholder of the Companies or the Business.
43. Except to the extent otherwise set forth in a definitive sale or investment agreement with a successful bidder, any sale of any of the Property or investment in the Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Monitor, the Companies, the CRO the Financial Advisor, or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Companies 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 or the definitive documents entered into in connection with the Successful Bid.
44. All Deposits shall be retained by the Monitor in a non-interest bearing trust account. If a Successful Bid is selected and an order authorizing the consummation of the transaction contemplated thereunder is granted, any Deposit paid in connection with such Successful

Bid will be non-refundable and shall, upon closing of the transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. In the event that the Successful Bid is not completed due to a breach or default of the bidder's obligations thereunder, the Deposit shall be forfeited to the Companies as damages and such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Companies have in respect of such breach or default. Any Deposit delivered with a Phase 2 Qualified Bid that is not selected as a Successful Bid or a Back Up Bid will be returned to the applicable bidder as soon as reasonably practicable (but not later than ten (10) business days) after the earliest of (a) Court approval of an alternative Successful Bid for the same Property or Business, which Order shall have become a final order; (b) the closing of a transaction in respect of the same Property or Business; or (c) 60 days after the date the Phase 2 Qualified Bidder is notified its bid is not a Successful Bid. Deposits in respect of a Back Up Bid will be returned as soon as reasonably practicable (but not later than ten (10) business days) after the Back Up Bid Expiration Date.

45. The consultation and other rights afforded to the CRO herein shall not extend to other officers, shareholders and/or the directors of the Companies without the consent of the Monitor, in its sole discretion.

Schedule "1"

Addresses of Monitor and Financial Advisor

All LOIs and formal binding offers (and any accompanying documents) shall be transmitted by way of email to the Monitor and Financial Advisor as follows:

To the Monitor:

KSV Restructuring Inc.
220 Bay Street, 13th Floor, PO Box 20
Toronto, Ontario M5J 2W4

Attention: Bobby Kofman (bkofman@ksvadvisory.com) and Mitch Vininsky
(mvininsky@ksvadvisory.com)

To the Financial Advisor:

FTI Capital Advisors – Canada ULC
79 Wellington Street West, Suite 2010
Toronto, ON M5K 1G8

Attention: Dean Mullett (dean.mullett@fticonsulting.com) and Richard Kim
(richard.kim@fticonsulting.com)

Appendix “C”

APR 30 2024

HALIFAX, N.S.

2024

Hfx No. 531463

SUPREME COURT OF NOVA SCOTIA

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

AND IN THE MATTER OF A PLAN OR ARRANGEMENT OF SALTWIRE NETWORK INC.,
THE HALIFAX HERALD LIMITED, HEADLINE PROMOTIONAL PRODUCTS LIMITED, TITAN
SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS
LIMITED

BETWEEN:

Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP,
each by their general partner, Fiera Private Debt GP Inc.

Applicants

-and-

Saltwire Network Inc., The Halifax Herald Limited, Headline Promotional Products Limited, Titan
Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited

Respondents

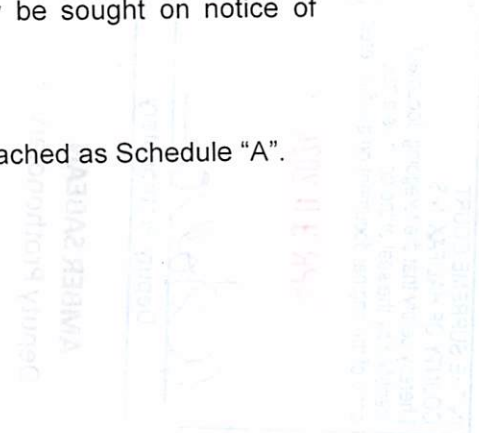
ORDER

(Stay Extension, Titan Sale Process Approval, Amendment of DIP Facility)

Before the Honourable Justice Keith in chambers:

The Applicants applied for relief under the *Companies' Creditors Arrangement Act*,
R.S.C. 1985, c. C-36 as amended (the "CCAA") in respect of the Respondents (the
"Companies"), which was granted by an order dated March 13, 2024, amended and restated by
order dated March 22, 2024 (the "Amended and Restated Initial Order"), which, among other
things, appointed KSV Restructuring Inc. as CCAA Monitor (the "Monitor"), and, now or in the
future, the Monitor applies for other relief under the CCAA as may be sought on notice of
motion.

The following parties received notice of this application: see attached as Schedule "A".



IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.
I hereby certify that the foregoing document,
identified by the seal of the court, is a true
copy of the original document on the file herein.

APR 30 2024



Deputy Prothonotary

AMBER SABEAN
Deputy Prothonotary



RECEIVED
APR 30 2024
COUNTY OF HALIFAX
SUPREME COURT

The following parties, represented by the following counsel, made submissions:

Party

Counsel

Monitor, KSV Restructuring Inc.

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-and-

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Marc Dunning
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Applicants

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-and-

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Companies

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Sara Scott
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On motion of the Monitor, the following is ordered and declared:

Service and Definitions

1. The service of the notice of motion in chambers and the supporting documents, as set out in the affidavits of service filed with the Court, is hereby deemed adequate notice so that the motion is properly returnable today and further service thereof is hereby dispensed with.
2. Service of this Order is permitted at any time and place and by any means whatsoever.
3. All capitalized terms used in this Order and not defined herein shall have the meanings ascribed to them in the Amended and Restated Initial Order.

Effective Time

4. This Order and all of its provisions are effective as of 12:01 a.m. (Halifax time) on the date of this Order.

Approval of the Monitor's Report and Activities

5. ^{*fulsome*} The Second Report of the Monitor dated April 23, 2024 (the "Second Report") and the Supplement to the Second Report dated April 26, 2024 (the "Supplementary Report"), and the activities of the Monitor described therein, are hereby approved, provided, however, that only the Monitor, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval. *Subject to a review of my transactions presented for Court approval, (J.K.S.)*

Titan Sales Process

6. The retention of MC Advisory Group Inc. ("MCA") as sales advisor in connection with the Titan Sales Process (as defined and described in the Second Report) pursuant to the MCA Engagement Letter (as defined and described in the Second Report) is hereby approved.

7. The Titan Sales Process is hereby approved, and Titan Security & Investigation Inc. ("Titan") and MCA are hereby authorized and directed to implement the Titan Sales Process pursuant to the terms thereof. Titan and the Monitor are hereby authorized and directed to perform their respective obligations thereunder and to do all things reasonably necessary to perform their respective obligations thereunder, subject to prior approval of the Court being obtained before completion of any transaction(s) under the Titan Sales Process.

8. Titan and MCA, and their respective affiliates, partners, directors, officers, employees, legal advisors, representatives, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the Titan Sales Process, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or wilful misconduct of any such person (with respect to such person alone), in performing their obligations under the Titan Sales Process, as determined by this Court in a final order that is not subject to appeal or other review.

9. In overseeing and conducting the Titan Sales Process, the Monitor shall have all of the benefits and protections granted to it under the CCAA, the Amended and Restated Initial Order and any other Order of this Court in the within proceeding.

10. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, Titan, MCA and the Monitor are each hereby authorized and permitted to disclose and transfer to potential bidders (the "Bidders") and to their advisors, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in Titan's records pertaining to its past and current employees, but only to the extent desirable or required to

negotiate or attempt to complete a transaction for the acquisition of some or all assets or property of Titan ("**Transaction**"). Each Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of a Transaction, and if it does not complete a Transaction, shall return all such information to Titan, MCA or the Monitor (or as they may direct), or in the alternative destroy all such information. The successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the successful bid(s), shall be entitled to use the personal information provided to it that is related to the property or assets acquired pursuant to the Transaction in a manner which is in all material respects identical to the prior use of such information by Titan, and shall return all other personal information to Titan, MCA or the Monitor (or as they may direct) or ensure that all other personal information is destroyed.

Amendment of DIP Facility

11. The amendment of the DIP Facility on the terms set out in the Second Amended and Restated Interim Financing Term Sheet (as defined and described in the Second Report) is hereby approved, including but not limited to an increase in the maximum borrowing amount thereunder to \$3 million and, for greater certainty, the DIP Lender's Charge shall secure any and all obligations of the Companies pursuant to the DIP Facility (as amended hereby) and the Second Amended and Restated Interim Financing Term Sheet, and the "DIP Lender" shall be deemed to include Fiera FP Business Financing Fund, L.P.

Extension of the Stay Period

12. The Stay Period is hereby extended to June 28, 2024.

General

13. This Order shall have full force and effect in all provinces and territories in Canada.

14. The aid and recognition of any Court, tribunal, regulatory or administrative body in Canada, the United States of America or elsewhere, to give effect to this Order and to assist the Companies, the Monitor and their respective agents in carrying out the terms of this Order. All Courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Companies and the Monitor as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor or the authorized representative of the Companies in any foreign proceeding, to assist the Companies and the Monitor, and to act in aid of and to be complementary to this Court, in carrying out the terms of this Order.

15. Each of the Companies and the Monitor may apply to any court, tribunal, or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and the Monitor may act as a representative in respect of this proceeding for the purpose of having this proceeding recognized in a jurisdiction outside Canada.

Issued April 30, 2024



Prothonotary

AMBER SABEAN
Deputy Prothonotary

SCHEDULE "A" - SERVICE LIST

<p>NORTON ROSE FULBRIGHT CANADA LLP 222 Bay Street, Suite 3000, P.O. Box 53 Toronto, ON M5K 1E7</p> <p>Jennifer Stam Tel: 416.202.6707 jennifer.stam@nortonrosefulbright.com</p> <p>Katie Parent katie.parent@nortonrosefulbright.com</p> <p>-and-</p> <p>BOYNECLARKE LLP 99 Wyse Road, Suite 600 Dartmouth, Nova Scotia B3A 4S5</p> <p>Joshua J. Santimaw Tel: 902.460.3451 jsantimaw@boyneclarke.com</p> <p>Lawyers for the Applicants, Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP</p>	<p>KSV RESTRUCTURING INC. 220 Bay Street, Suite 1300 Toronto Ontario M5J 2W3</p> <p>Bobby Kofman Tel: 416.932.6228 Email: bkofman@ksvadvisory.com</p> <p>Mitch Vininsky Tel: 416.932.6013 Email: mvininsky@ksvadvisory.com</p> <p>Monitor</p>
<p>CHAITONS LLP 5000 Yonge Street 10th Floor Toronto, ON M2N 7E9</p> <p>George Benchetrit 416.218.1141 george@chaitons.com</p> <p>Lawyers for the Monitor</p>	<p>BURCHELL WICKWIRE BRYSON LLP 1801 Hollis Street, Suite 1800 Halifax, NS B3J 3N4</p> <p>Marc Dunning Tel: 902.482.7017 Email: mdunning@bwblp.ca</p> <p>Lawyers for the Monitor (Local Counsel)</p>

<p>STEWART MCKELVEY 600-1741 Lower Water St. Halifax, NS</p> <p>Maurice Chiasson Tel: 902.420.3300 Email: mchiasson@stewartmckelvey.com</p> <p>Sara Scott Tel: 902.420.3363 Email: sscott@stewartmckelvey.com</p> <p>Lawyers for the Debtors</p>	<p>RESOLVE ADVISORY SERVICES LTD</p> <p>David Boyd davidboyd.resolve@gmail.com</p> <p>Chief Restructuring Officer</p>
<p>CANADA REVENUE AGENCY Insolvency Division P.O. Box 638, Stn Central 145 Hobsons Lake Drive Halifax, NS B3J 2T5</p> <p>Devon.Steele@cra-arc.gc.ca</p> <p>SHAWINIGAN-SUD NATIONAL VERIFICATION AND COLLECTION CENTRE Canada Revenue Agency 4695 Shawinigan-Sud Blvd. Shawinigan QC G9P 5H9</p>	<p>ATTORNEY GENERAL OF CANADA, DEPARTMENT OF JUSTICE Tax Law Services Atlantic Regional Office Suite 1400, Duke Tower 5251 Duke Street Halifax, NS N3J 1P3</p> <p>AGC_PGC_ARO-BRA@JUSTICE.GC.CA</p> <p>Deanna M. Frappler, K.C. Deanna.frapplier@justice.gc.ca</p>
<p>CAVALLUZZO LLP BARRISTERS AND SOLICITORS 474 Bathurst Street, Suite 300 Toronto, ON M5T 2S6</p> <p>Balraj Dosanjh Email: bdosanjh@cavalluzzo.com</p> <p>Sean FitzPatrick Email: sfitzpatrick@cavalluzzo.com</p> <p>Sama Sayegh Email: ssayegh@cavalluzzo.com</p> <p>Lawyers for the CWA Cape Breton Post, Halifax Typographical Union – Editorial and Halifax Typographical Union – Press</p>	<p>UNITED FOOD AND COMMERCIAL WORKERS OF CANADA, LOCAL 1252 (UFCW CANADA, LOCAL 1252) 120 Lemarchant Rd St. John's, NFLD A1C 2H2 Tel: 709.753.8830</p> <p>Sandra Corbett Email: scorbett@ufcw.nf.net</p>

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Appendix “D”



2024

Hfx No. 531463

SUPREME COURT OF NOVA SCOTIA

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

AND IN THE MATTER OF A PLAN OR ARRANGEMENT OF SALTWIRE NETWORK INC., THE HALIFAX HERALD LIMITED, HEADLINE PROMOTIONAL PRODUCTS LIMITED, TITAN SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS LIMITED

BETWEEN:

Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP, each by their general partner, Fiera Private Debt GP Inc.

Applicants

-and-

Saltwire Network Inc., The Halifax Herald Limited, Headline Promotional Products Limited, Titan Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited

Respondents

**ORDER
(Stay Extension, KERP Approval, Amendment of DIP Facility)**

Before the Honourable Justice Keith in chambers:

The Applicants applied for relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended (the "CCAA") in respect of the Respondents (the "**Companies**"), which was granted by an order dated March 13, 2024, amended and restated by order dated March 22, 2024 (the "**Amended and Restated Initial Order**"), which, among other things, appointed KSV Restructuring Inc. as CCAA Monitor (the "**Monitor**"), and, now or in the future, the Monitor applies for other relief under the CCAA as may be sought on notice of motion.

The following parties received notice of this application: see attached as Schedule "A".

IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.
I hereby certify that the foregoing document,
identified by the seal of the court, is a true
copy of the original document on the file herein.

JUN 28 2024

A. Adler

Deputy Prothonotary



The following parties, represented by the following counsel, made submissions:

<u>Party</u>	<u>Counsel</u>
Monitor, KSV Restructuring Inc.	Chaitons LLP 5000 Yonge Street, 10 th Floor Toronto, ON M2N 7E9 George Benchetrit Tel: 416.218.1141 Email: george@chaitons.com -and- Burchell Wickwire Bryson LLP 1801 Hollis Street, Suite 1800 Halifax, NS B3J 3N4 Marc Dunning Tel: 902.482.7017 Email: mdunning@bwblp.ca
Applicants	Norton Rose Fulbright Canada LLP 222 Bay Street, Suite 3000 Toronto, ON M5K 1E7 Jennifer Stam Tel: 416.202.6707 Email: Jennifer.stam@nortonrosefulbright.com -and- BOYNECLARKE LLP 99 Wyse Road, Suite 600 Dartmouth, Nova Scotia B3A 4S5 Joshua J. Santimaw Tel: 902.460.3451 Email: jsantimaw@boyneclarke.com
Companies	Stewart McKelvey 600-1741 Lower Water Street Halifax, Nova Scotia Maurice Chiasson Tel: 902.420.3300 Email: mchiasson@stewartmckelvey.com Sara Scott Tel: 902.420.3363 Email: sscott@stewartmckelvey.com

On motion of the Monitor, the following is ordered and declared:

Service and Definitions

1. The service of the notice of motion in chambers and the supporting documents, as set out in the affidavits of service filed with the Court, is hereby deemed adequate notice so that the motion is properly returnable today and further service thereof is hereby dispensed with.
2. Service of this Order is permitted at any time and place and by any means whatsoever.
3. All capitalized terms used in this Order and not defined herein shall have the meanings ascribed to them in the Amended and Restated Initial Order.

Effective Time

4. This Order and all of its provisions are effective as of 12:01 a.m. (Halifax time) on the date of this Order.

KERP

5. The Company's key employee retention plan (the "**KERP**") described in Third Report of the Monitor dated June 19, 2024 (the "**Third Report**") is hereby approved and the Companies are authorized and directed to make the payments contemplated thereunder should the employees become entitled thereto in accordance with the terms and conditions of the KERP.
6. The beneficiaries of the KERP shall be entitled to the benefit of and are hereby granted a charge on the Property in the amount of \$135,000, ranking subordinate only to the Administration Charge and the Financial Advisor's Charge.

Amendment of DIP Facility

7. The amendment of the DIP Facility on the terms set out in the First Amendment to Interim Financing Term Sheet (as defined and described in the Third Report) is hereby approved, including but not limited to an increase in the maximum borrowing amount thereunder to \$4.1 million and, for greater certainty, the DIP Lender's Charge shall secure any and all obligations of the Companies pursuant to the DIP Facility (as amended hereby).

Extension of the Stay Period

8. The Stay Period is hereby extended to August 9, 2024.

Approval of the Monitor's Report and Activities

9. Subject to a fulsome review of any transaction presented for Court approval, the Third Report and Supplement dated June 27, 2024, and the activities of the Monitor described therein, are hereby approved, provided, however, that only the Monitor, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

General

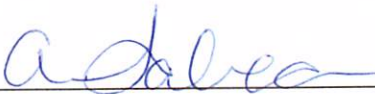
10. This Order shall have full force and effect in all provinces and territories in Canada.

11. The aid and recognition of any Court, tribunal, regulatory or administrative body in Canada, the United States of America or elsewhere, to give effect to this Order and to assist the Companies, the Monitor and their respective agents in carrying out the terms of this Order. All Courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Companies and the Monitor as may be

necessary or desirable to give effect to this Order, to grant representative status to the Monitor or the authorized representative of the Companies in any foreign proceeding, to assist the Companies and the Monitor, and to act in aid of and to be complementary to this Court, in carrying out the terms of this Order.

12. Each of the Companies and the Monitor may apply to any court, tribunal, or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and the Monitor may act as a representative in respect of this proceeding for the purpose of having this proceeding recognized in a jurisdiction outside Canada.

Issued *June 28*, 2024



~~Prothonotary~~

AMBER SABEAN
Deputy Prothonotary

Schedule A – Service List

SUPREME COURT OF NOVA SCOTIA

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

AND IN THE MATTER OF A PLAN OR ARRANGEMENT OF SALTWIRE NETWORK INC.,
THE HALIFAX HERALD LIMITED, HEADLINE PROMOTIONAL PRODUCTS LIMITED, TITAN
SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS
LIMITED

BETWEEN:

Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP,
each by their general partner, Fiera Private Debt GP Inc.

Applicants

-and-

Saltwire Network Inc., The Halifax Herald Limited, Headline Promotional Products Limited, Titan
Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited

Respondents

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PPSA REGISTRANTS

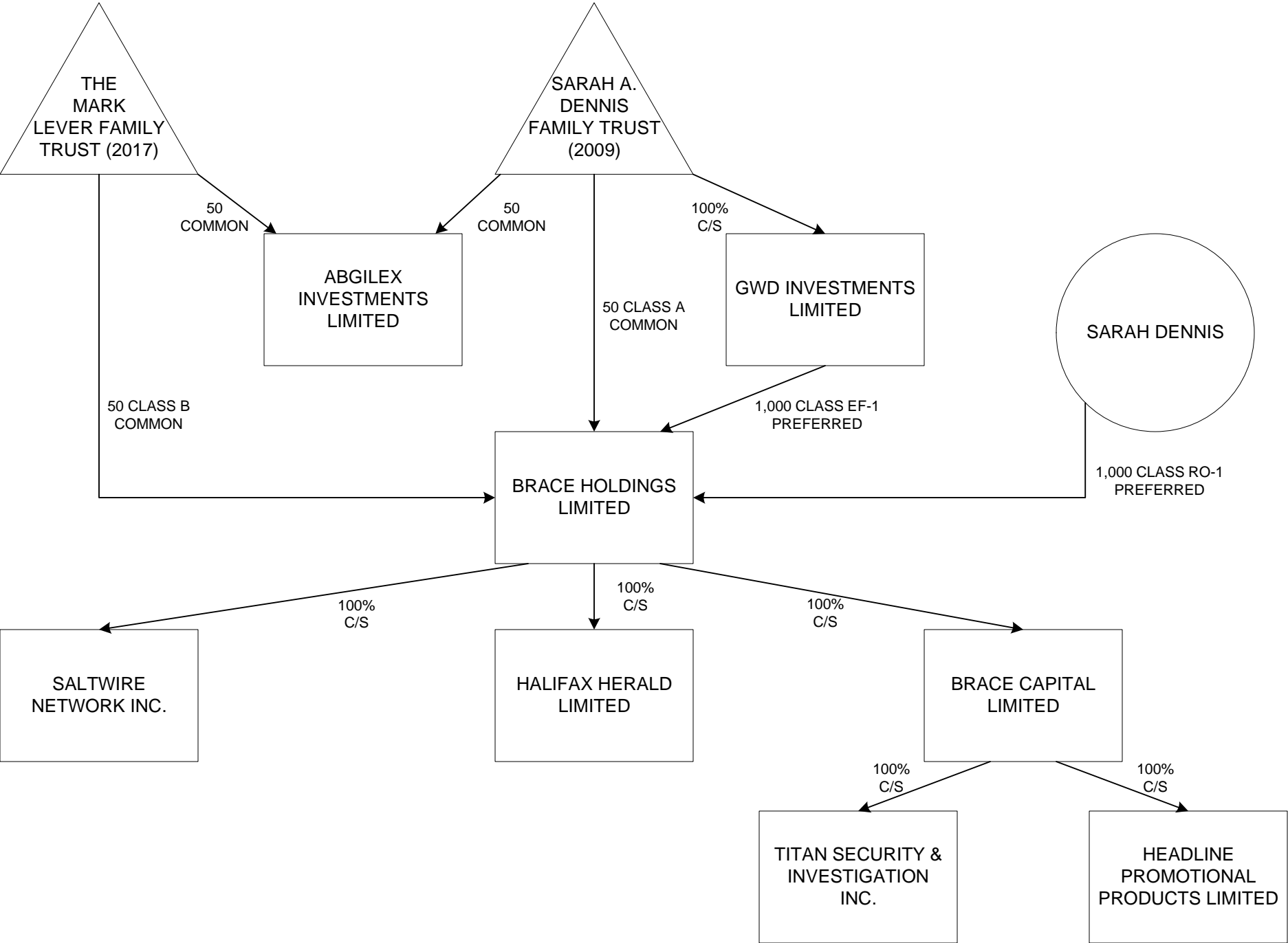
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CISCO SYSTEMS CAPITAL CORPORATION 170 W. Tasman Drive MS SJ13-3 San Jose, CA 95134 USA	WELLS FARGO EQUIPMENT FINANCE COMPANY 1290 Central Parkway W. Suite 1100 Mississauga, ON L5C 4R3
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Appendix “E”

CORPORATE CHART



Appendix “F”

[Home](#) > [Newsroom](#) > [Corporate News](#) >

Postmedia Enters Agreement to Acquire Saltwire

July 26, 2024 (TORONTO) – Postmedia Network Inc., a wholly owned subsidiary of Postmedia Network Canada Corp. (“Postmedia” or the “Company”) today announced that it has entered into an agreement to acquire certain businesses and assets of Saltwire Network Inc. and The Halifax Herald Limited (together, “Saltwire”), Atlantic Canada’s largest media company, which is currently under *Companies’ Creditors Arrangement Act* (“CCAA”) protection. This potential acquisition aligns with Postmedia’s commitment to preserving local journalism and supporting the communities it serves.

Commitment to Preserving Local Journalism

Local journalism is essential for keeping communities informed and connected. Saltwire, with over a dozen media titles, plays a crucial role in this regard. “If the transaction can be completed, Postmedia intends to provide the necessary back office resources and operational infrastructure to ensure there continues to be reliable and high-quality local news provided to the affected communities,” said Andrew MacLeod, President and Chief Executive Officer of Postmedia.

Readers would continue to enjoy stories reported by local journalists, supported by the voices and opinions that Canadians across the country rely on for information, diverse perspectives, and unique insights into national and international developments.

Ensuring Long-Term Viability

This acquisition is crucial for the long-term sustainability of this important regional network, which faces an uncertain future without intervention. “Saltwire filed for CCAA protection after years of financial difficulties, underscoring that its current operational model is unsustainable. In order to save critical journalism jobs, we will need the support of the relevant unions to help construct a viable business model,” Mr. MacLeod said.

The potential acquisition is subject to various conditions, including satisfactory outcomes with unions and other stakeholders, the completion of definitive transaction documentation, and court approval. Given the ongoing financial pressure, it is imperative that key conditions be satisfied by August 5, with an outside close date of August 26.

“We urge all stakeholders, including employees and community leaders, to support our efforts. The future of local journalism in the Atlantic provinces depends on everyone’s cooperation in a successful restructuring,” Mr. MacLeod said.

About Postmedia Network Canada Corp.

Postmedia Network Canada Corp. (TSX:PNC.A, PNC.B) is the holding company that owns Postmedia Network Inc., a Canadian newsmedia company representing more than 130 brands across multiple print, online, and mobile platforms. Award-winning journalists and innovative product development teams bring engaging content to millions of people every week whenever and wherever they want it. This exceptional content, reach and scope offers advertisers and marketers compelling solutions to effectively reach target audiences. Our expertise in home delivery and expanding distribution network powers Postmedia Parcel Services. For more information, visit www.postmedia.com, www.postmediasolutions.com and www.postmediaparcelservices.com.

Forward-Looking Information

This news release may include information that is “forward-looking information” under applicable Canadian securities laws. The Company has tried, where possible, to identify such information and statements by using words such as “believe,” “expect,” “intend,” “estimate,” “anticipate,” “may,” “will,” “could,” “would,” “should”, “scheduled” and similar expressions and derivations thereof in connection with any discussion of future events, trends or prospects or future operating or financial performance. Forward-looking statements in this news release include, but are not limited to, statements with respect to any transaction with Saltwire being subject to negotiations, including in respect of definitive transaction documentation, and court approval. By their nature, forward-looking information and statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These risks and uncertainties include, among others and without limitation: the possibility that negotiations in respect of the proposed transaction will cease, for any reason, the possibility that the parties are not able to negotiate definitive transaction documentation, for any reason, the possibility that the court will not approve the proposed transaction, for any reason and the possibility that

even if Postmedia enters into definitive documentation, the conditions to such transaction will not be satisfied or waived and the transaction will not close. For a complete list of our risk factors please refer to the section entitled “Risk Factors” contained in our annual management’s discussion and analysis for the years ended August 31, 2023 and 2022. Although the Company bases such information and statements on assumptions believed to be reasonable when made, they are not guarantees of future performance and actual results of operations, financial condition and liquidity, and developments in the industry in which the Company operates, may differ materially from any such information and statements in this press release. Given these risks and uncertainties, undue reliance should not be placed on any forward-looking information or forward-looking statements, which speak only as of the date of such information or statements. Other than as required by law, the Company does not undertake, and specifically declines, any obligation to update such information or statements or to publicly announce the results of any revisions to any such information or statements.

For more information:

Postmedia

Postmedia Communications
inquiries@postmedia.com

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SaltWire Network Announces Agreement to Sell to Postmedia Network Inc.

NEWS PROVIDED BY

SaltWire Network →

Jul 30, 2024, 08:02 ET

HALIFAX, NS, July 30, 2024 /CNW/ - SaltWire Network Inc., Atlantic Canada's largest media company, and The Halifax Herald Limited have entered into an agreement to sell certain businesses and assets to Postmedia Network Inc., a wholly owned subsidiary of Postmedia Network Canada Corp. ("Postmedia").

This strategic transaction comes as SaltWire continues to operate under Companies' Creditors Arrangement Act ("CCAA") protection.

SaltWire Network has a long-standing tradition of delivering trusted news and diverse perspectives to Atlantic Canadians through its portfolio of over a dozen media titles.

The completion of the acquisition is subject to various conditions, including successful negotiations with unions, the finalization of transaction documentation, and court approval.

"SaltWire's publications, including The Chronicle Herald, Cape Breton Post, The Guardian, The Telegram and The Journal Pioneer have steep histories in their communities," said David Boyd, Court appointed Chief Restructuring Officer for the businesses.

"We are hopeful that all stakeholders can work together to complete the Postmedia transaction, which is intended to see Atlantic-based journalism publications continue."

About SaltWire Network Inc.

SaltWire Network Inc. is Atlantic Canada's largest media company, delivering trusted news and information through a diverse portfolio of media titles. Committed to serving the local communities, SaltWire provides comprehensive coverage of regional, national, and international news.

SOURCE SaltWire Network

Appendix “G”



SaltWire Network Inc. and Halifax Herald Limited

SISP Process Summary

Private and Confidential

Disclaimer

This presentation has been prepared by FTI Capital Advisors – Canada ULC and certain of its affiliates (collectively, “FTI”) with the assistance of SaltWire Network Inc. and Halifax Herald Limited (“SaltWire” or the “Company”). You should not treat the contents of this presentation, or any information provided in connection with it, as financial advice, financial product advice or advice relating to legal, taxation or investment matters.

No representation or warranty (whether express or implied) is made by the Company or any of its respective directors, officers, shareholders, advisers, agents, employees, consultants and representatives, including FTI, as to the accuracy, completeness or reasonableness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or provided in connection with it, or any omission from this presentation, nor as to the attainability of any estimates, forecasts or projections set out in this presentation. The recipient of this presentation agrees that neither the Company nor its respective directors, officers, shareholders, advisers, agents, employees, consultants and representatives, including FTI, have any liability whatsoever resulting from the use of or reliance on the information contained herein or otherwise supplied or resulting from the failure to supply additional information.

This presentation is provided expressly on the basis that you will carry out your own independent inquiries into the matters contained in the presentation and make your own independent decisions about the affairs, financial position or prospects of the Company. The Company reserves the right to update, amend or supplement the information at any time in its absolute discretion (without incurring any obligation to do so).

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to lend or invest in or to the Company.

This presentation contains reference to certain intentions, expectations, future plans, strategy and prospects of the Company.

Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or implied, is made by the Company, or any of its respective directors, officers, shareholders, employees, advisers, agents, consultants or representatives, including FTI, that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved.

Given the risks and uncertainties that may cause the Company’s actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. The Company does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended.

Sale and Investment Solicitation (“SISP”) Process (1 of 2)

In an Order dated March 25, 2024, the Supreme Court of Nova Scotia (the “Court”) approved an order i) approving a SISP in respect of the business and assets of Saltwire and The Herald (the “Media Companies”); ii) authorizing and directing FTI Capital Advisors – Canada ULC (“FTI”) to conduct the SISP; and iii) authorizing KSV Restructuring Inc. in its capacity as the monitor (the “Monitor”) to supervise and oversee the SISP.

SISP Process Overview

- In late October 2023, the Media Companies engaged FTI to assist them in their efforts to raise capital and/or sell the Media Companies’ businesses and assets (the “Pre-filing SISP”).
- The Pre-filing SISP commenced on November 8, 2023, when FTI canvassed an extensive list of prospective purchasers and/or investors, facilitated diligence and arranged meetings between certain interested parties and management. Many parties expressed interest in the opportunity and one (1) letter of intent was received from an interested party.
- Notwithstanding the extensive canvassing of the market performed by FTI, no acceptable offers were received in the Pre-Filing SISP.
- In an approval order dated March 25, 2024, the Court approved a post-CCAA filing Sale and Investment Solicitation Process (“SISP”) in respect of the Media Companies.
- The SISP was intended to be a continuation of the Pre-filing SISP for the sale of or investment in the Media Companies. The SISP commenced on March 25, 2024 with a Phase 1 Bid deadline of April 25, 2024 and a Phase 2 Bid Deadline of May 24, 2024.
- During the SISP, FTI contacted **264** investors (including re-contacting the parties from the Pre-filing SISP), to solicit interest in the opportunity, with the communications going out to: (i) Alternative Credit Funds; (ii) Institutional Banks; (iii) Strategic Parties and (iv) Private Equity Firms across Canadian and U.S. markets. These investors were provided a Teaser with a summary of the opportunity.
- FTI held calls with interested parties to provide additional background on the opportunity and answer any questions that arose. In total **59** parties executed NDAs and performed diligence (40 NDAs were executed from the Pre-filing SISP).

Summary of Parties Contacted

Total: **264**

Total NDAs Executed

Total: **59**

Sale and Investment Solicitation (“SISP”) Process (2 of 2)

On May 24, 2024, four (4) parties submitted Phase 2 bids, or formal offers to purchase the Property. FTI, in consultation with the CRO and Monitor, evaluated the bids received and selected a successful bidder.

SISP Bid Deadlines

- As of the Phase 1 bid deadline, six (6) parties submitted non-binding bids including four (4) bids for substantially all the assets or shares relating to the business (the “Property”) and two (2) bids for parts of the Property.
- As of the Phase 2 binding bid deadline, four (4) parties submitted binding bids and binding purchase agreements (with the exception of one (1) party which provided a binding term sheet). The Phase 2 bids included three (3) bids for substantially all the property and one (1) bid for a part of the Property.

Selection of a Successful Bidder

- FTI, in consultation with the CRO and the Monitor, assessed the bids provided and evaluated the bids on several factors including, without limitation, items such as the Purchase Price and the net value provided by such bid, the identity of the bidders, the circumstances and ability of the bidder to complete a successful transaction that provided the best opportunity for the business to be viable, the proposed transaction documents, factors affecting the speed, certainty and value of the transaction, the assets included or excluded, any restructuring costs and the likelihood and timing of consummating such transactions.
- Following the evaluation of the binding bids, FTI, in consultation with the CRO and the Monitor, identified the highest or otherwise best bid, being the bid from Postmedia Network Inc. (the “Successful Bid”).
- FTI, in consultation with the CRO and the Monitor, recommends that the Successful Bid be approved by the Court.

Total Phase 1 Bids
Total: 6

Total Phase 2 Bids
Total: 4



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Appendix “H”

ASSET PURCHASE AGREEMENT

This Agreement dated July 25, 2024 is made,

B E T W E E N:

THE HALIFAX HERALD LIMITED

(“**Halifax Herald**”)

-and-

SALTWIRE NETWORK INC.

(“**Saltwire**” and, collectively with Halifax Herald, the “**Vendor**” or the “**Company**” and individually, each a “**Vendor Company**”)

-and-

POSTMEDIA NETWORK INC., a corporation incorporated under the laws of Canada

(hereinafter referred to as “**Postmedia**”)

RECITALS

WHEREAS the Company is subject to a Second Amended & Restated Initial Order dated March 26, 2024 (the “**Initial CCAA Order**”) issued by the Supreme Court of Nova Scotia which, among other things, granted protection to the Company under the *Companies’ Creditors Arrangement Act*, as amended (the “**CCAA Proceeding**”);

AND WHEREAS Postmedia, indirectly through a subsidiary (which subsidiary may be a limited partnership, the general partner of which is controlled by Postmedia) to be formed prior to the Closing (as defined below) and to which Postmedia intends to assign this Agreement pursuant to Section 9.13 (such subsidiary, the “**Purchaser**”), wishes to purchase the assets and property of the Company in accordance with the terms of this Agreement;

NOW THEREFORE, in consideration of the promises and mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties hereto agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 **Definitions.**

In this Agreement, the following terms shall have the meanings set out below unless the context requires otherwise:

- (1) “**Accrued Liabilities**” means the Assumed Liabilities other than the Non-Accrued Liabilities.
- (2) “**Acquired Agreements**” means collectively the Acquired Contracts, Acquired Personal Property Leases and Acquired Real Property Leases.
- (3) “**Acquired Contracts**” means the Contracts listed in Schedule 1.1(3) until and unless excluded or deemed to be excluded pursuant to Section 2.8.
- (4) “**Acquired Personal Property Leases**” means the Personal Property Leases listed in Schedule 1.1(4) until and unless excluded or deemed to be excluded pursuant to Section 2.8.
- (5) “**Acquired Real Property Leases**” means the Real Property Leases listed in Schedule 1.1(5) until and unless excluded or deemed to be excluded pursuant to Section 2.8.
- (6) “**Agreement**” means this Agreement, including the Schedules to this Agreement, as it or they may be amended or supplemented from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.
- (7) “**Amended Collective Agreements**” has the meaning given in Section 7.10.
- (8) “**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. Applicable Law also includes, where appropriate, any interpretation of the Law (or any part) by any Person having jurisdiction over it or charged with its administration or interpretation.
- (9) “**Assignment Order**” means an order or orders of the Court, in form and substance satisfactory to the Purchaser, acting reasonably, authorizing and approving the assignment of any of the Acquired Agreements and preventing any counterparty to same from exercising any right of remedy (including a termination right or remedy) thereunder and assigning to the Purchaser the rights and obligations of the relevant Vendor Company under the Acquired Agreements for which a consent, approval or waiver necessary for the assignment of such Acquired Agreements has not been obtained, and which will include, if necessary, a mechanism for the resolution of any disputed Cure Costs.
- (10) “**Assumed Liabilities**” means, in each case other than the Excluded Liabilities, only the Liabilities incurred under or in respect of:
 - (a) the Acquired Agreements to the extent first arising and relating to the period on or after the Closing Time and any and all Cure Costs under such Acquired Agreements to the extent payable by the Purchaser under Section 2.8(c);
 - (b) accrued vacation for Transferred Employees;
 - (c) the deferred subscription liabilities relating to the Business in respect of home delivery and subscription services incurred after the Filing Date but prior to the Closing Time that are not in violation of Section 7.7; and
 - (d) the obligation to pay certain indebtedness owing by the Company to Fiera as further set forth in the Debt Repayment Agreement.

- (11) “**Books and Records**” means all books, records, surveys, files and papers, including computer programs (including source and object code), software programs, manuals and data, sales and advertising materials, lists of present and former customers and suppliers, personnel, employment and other records related to Transferred Employees and the Purchased Assets, and all copies and recordings of the foregoing.
- (12) “**Business**” means the media businesses of the Vendor.
- (13) “**Business Day**” means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Halifax or in the City of Toronto.
- (14) “**Canadian Dollars**” means the lawful currency of Canada.
- (15) “**Canadian Journalism Tax Credits**” means any tax credits under section 125.6 of the *Income Tax Act* (Canada) (and any similar provisions of any provincial legislation).
- (16) “**CCAA Proceeding**” has the meaning ascribed thereto in the recitals above.
- (17) “**Closing**” means the completion of the Transaction in accordance with the provisions of this Agreement.
- (18) “**Closing Date**” has the meaning given in Section 3.2.
- (19) “**Closing Time**” means 12:01 a.m. on the Closing Date.
- (20) “**Collective Agreements**” means the collective bargaining agreements of the Company.
- (21) “**Company**” has the meaning ascribed thereto in the recitals above.
- (22) “**Contracts**” means all executory contracts, agreements, licenses, leases, obligations, undertakings, documents, entitlements and arrangements to which any Vendor Company is a party or by which any Vendor Company is bound relating to the Purchased Assets and/or by which any of the Purchased Assets is bound.
- (23) “**Court**” means the Supreme Court of Nova Scotia in respect of the CCAA Proceedings.
- (24) “**Cure Costs**” means all amounts necessary to cure any monetary defaults existing in respect of any Acquired Agreements that are required to be paid as a condition to assuming any Acquired Agreement.
- (25) “**Debt Repayment Agreement**” means that certain debt repayment agreement to be entered into between Fiera, the Purchaser and Postmedia on Closing on terms and conditions acceptable to each of them, which will include, among other things, (i) the terms of repayment by the Purchaser of certain amounts of indebtedness owing by the Company to Fiera; (ii) the support and consent by Fiera of the Transaction, the terms of this Agreement, including without limitation, a covenant of Fiera to not enforce any of its rights under outstanding indebtedness owed to it by the Company; and (iii) certain governance rights in respect of the Purchaser.
- (26) “**Employee**” means an individual who is employed by either Vendor Company in the Business on the date immediately prior to the Closing Date.

(27) “**Excluded Assets**” means assets of each Vendor Company that are not Purchased Assets, including:

- (a) all goods, machinery and equipment subject to true operating leases;
- (b) the right to receive insurance recoveries under any insurance policies in existence on the date hereof in respect only of any claims with respect to assets that are not Purchased Assets;
- (c) cash, bank balances, moneys in possession of banks and other depositories, term or time deposits and similar cash items of, owned or held by or for the account of any Company;
- (d) the Personal Property that will not be used by the Purchaser in the operation of the Business following Closing including, without limitation, equipment and assets located at the Real Property that are not required by the Purchaser in the operation of the Business, and any assets related to the commercial printing business located in Newfoundland and Labrador;
- (e) amounts owing from and claims against related parties;
- (f) any tax refunds, rebates, accrued Canadian Journalism Tax Credits and substantially similar credits and rebates in respect of any period up to and including the Closing Date;
- (g) the Google Money for any period up to and including the Closing Date;
- (h) all litigation claims of the Vendor Companies including that certain litigation between Saltwire, as plaintiff, and Groupe Des Medias Transcontinental de la Nouvelle-Ecosse Inc. et al, as defendants;
- (i) all employment contracts with Employees other than the Transferred Employees;
- (j) any Contracts or other assets which do not relate to the Purchased Assets or the Business;
- (k) the Real Property;
- (l) tax records and returns, and books and records pertaining thereto, minute books, organizational documents and other documents, in each case, relating to the organization, maintenance and existence of each of Vendor Company that do not primarily relate to the Purchased Assets;
- (m) any other assets that the Purchaser elects to exclude in writing prior to Closing in accordance with the terms of this Agreement; and
- (n) Excluded Contracts.

(28) “**Excluded Contracts**” means all Contracts of any Vendor Company, other than any Acquired Contracts, including (i) all Contracts set out in Schedule 1.1(28); and (ii) all Contracts excluded or deemed to be excluded pursuant to Section 2.8.

(29) “**Excluded Liabilities**” has the meaning given to it in Section 2.9.

(30) “**Fiera**” means, collectively, Fiera Private Debt Fund III LP, Fiera Private Debt Fund V LP and Fiera FP Business Financing Fund, L.P.

- (31) “**Filing Date**” means March 13, 2024.
- (32) “**Google Money**” means any amounts received or receivable by the Purchaser or a Vendor Company pursuant to Bill C-18 – *The Online News Act* that relate to the Business or the Purchased Assets.
- (33) “**Governmental Entity**” means any federal, provincial, or municipal court, board, tribunal, arbitrator or arbitral panel, administrative agency or commission or other governmental or regulatory agency, ministry, department or authority.
- (34) “**HST**” means the harmonized sales tax imposed under the *Excise Tax Act* (Canada).
- (35) “**Initial CCAA Order**” has the meaning ascribed thereto in the recitals above.
- (36) “**Intellectual Property**” means any or all of the following items, wherever located as they exist in any jurisdiction throughout the world, whether registered or unregistered: all patents and patent rights, trademarks and trademark rights, trade names and trade name rights, service marks and service mark rights, service names and service name rights, copyrights and copyright rights, business information, databases, customer and/or advertiser lists and/or data, mailing lists, business plans, brand names, trade dress, business and product names, internet domain names, internet addresses and other computer identifiers, corporate names, logos, taglines, social media identifiers and related accounts, slogans, trade secrets, inventions, processes, formulae, industrial models, designs, specifications, data, technology, methodologies, computer programs (including all source code), copyrightable works of authorship, including registered copyright in both published works and unpublished works, mask works and designs, unregistered copyrights in both published works and unpublished works, moral rights, confidential and proprietary information, whether or not subject to statutory registration, all related technical information, manufacturing, engineering and technical drawings, know how, all pending applications for and registrations of patents, trademarks, service marks and copyrights, including all obligations of third parties relating to the protection of the foregoing, the goodwill associated with the foregoing, and the right to sue for past payment or infringement, if any, in connection with any of the foregoing, and all documents, disks and other media on which any of the foregoing is stored, in each case, used or held by the Vendor for use in or relating to the Purchased Assets.
- (37) “**Intercreditor Agreement**” has the meaning ascribed thereto in Section 7.4.
- (38) “**Inventories**” means all items that are owned by any Vendor Company for sale, license, rental, lease or other distribution in the ordinary course of business, or are being produced for sale, or are to be consumed, directly or indirectly, in the production of goods or services to be available for sale, of every kind and nature and wheresoever situated relating to the Business including inventories of raw materials (including paper, ink and plates), spare parts, work in progress, finished goods and by-products, operating supplies and packaging materials, all inventories of stock-in-trade and merchandise including materials, supplies, work-in-progress and purchased finished goods (including those in possession of suppliers, customers and other third parties) owned or held by either Vendor Company.
- (39) “**Law**” means common law, order, judgment, decree, law, statute, rule, or regulation of any Governmental Entity.
- (40) “**Liabilities**” means all costs, expenses, charges, debts, liabilities, claims, demands and obligations, whether primary or secondary, direct or indirect, fixed, contingent, absolute or

otherwise, under or in respect of any contract, agreement, arrangement, lease, commitment or undertaking, Applicable Law or Taxes.

(41) “**Lien**” means any lien, mortgage, charge, hypothec, pledge, security interest, prior assignment, option, warrant, lease, sublease, right to possession, encumbrance, claim, right or restriction which affects, by way of a conflicting ownership interest or otherwise, the right, title or interest in or to any particular property.

(42) “**Monitor**” means KSV Restructuring Inc., in its capacity as court-appointed monitor in the CCAA Proceeding.

(43) “**Monitor’s Certificate**” means the certificate delivered to the Purchaser, and filed with the Court, by the Monitor certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor, in its sole discretion, from each of the Vendor and the Purchaser that all conditions to Closing have been satisfied or waived by the applicable Parties and the transactions contemplated by this Agreement have been completed.

(44) “**Non-Accrued Liabilities**” means Assumed Liabilities that are not payable on or before, or accrued or incurred as of, the Closing Time.

(45) “**Outside Date**” means August 26, 2024 or such later date as the parties may agree in writing.

(46) “**Party**” means a party to this Agreement and any reference to a Party includes its successors and permitted assigns; “**Parties**” means every Party.

(47) “**Permitted Liens**” means those liens listed in Schedule 1.1(47).

(48) “**Person**” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.

(49) “**Personal Property**” means all machinery, equipment, furniture, computer hardware and other chattels (including those in possession of third parties) owned by any Vendor Company and used in the Business.

(50) “**Personal Property Leases**” means chattel leases, equipment leases, rental agreements and conditional sales contracts to which any Vendor Company is a party.

(51) “**Postmedia**” has the meaning ascribed thereto in the recitals above.

(52) “**Prepaid Expenses**” all prepaid expenses, including *ad valorem* Taxes, of any Vendor Company, and all deposits of any Vendor Company with any supplier, public utility, lessor under any Acquired Personal Property Leases or Acquired Real Property Leases, or Governmental Authority.

(53) “**Purchased Assets**” means all the right, title and interest of the Company in and to the following assets, but excluding the Excluded Assets:

(a) the Acquired Contracts;

- (b) the Acquired Personal Property Leases;
 - (c) the Acquired Real Property Leases;
 - (d) the Books and Records;
 - (e) the Intellectual Property;
 - (f) the Inventories;
 - (g) the Personal Property to be used by the Purchaser in the operation of the Business following Closing;
 - (h) the Prepaid Expenses;
 - (i) the right to a cash payment by the Vendor of that portion of any tax refunds, rebates, accrued Canadian Journalism Tax Credits and substantially similar credits and rebates in respect of any period following the Closing Date;
 - (j) the Google Money for any period following the Closing Date;
 - (k) the Receivables;
 - (l) the right to receive insurance recoveries under any insurance policies in existence on the date hereof in respect only of any claims with respect to Purchased Assets; and
 - (m) the goodwill relating to the Purchased Assets and the Business conducted by either Vendor Company, including lists of customers and suppliers, credit information, telephone numbers, email addresses, websites, research materials, research and development files and the exclusive right of the Purchaser to represent itself as carrying on business in succession to either Vendor Company.
- (54) “**Purchase Price**” has the meaning given in Section 2.3.
- (55) “**Purchaser**” has the meaning given in the recitals above and, if Postmedia does not assign this Agreement to a subsidiary prior to the Closing Date, the “**Purchaser**” shall be Postmedia.
- (56) “**Real Property**” means, collectively, the lands and premises municipally known as:
- (a) 311 Bluewater Road, Bedford, Nova Scotia, PID 40873648;
 - (b) 2 Second Street, Yarmouth, Nova Scotia, PID 90207978;
 - (c) Alma Street, Yarmouth, Nova Scotia, PID 90288234;
 - (d) Alma Street, Yarmouth, Nova Scotia, PID 90288242
 - (e) Alms Street, Yarmouth, Nova Scotia, PID 90288259;
 - (f) 255 George Street, Sydney, Nova Scotia; and
 - (g) 36 Austin Street, St. John’s, Newfoundland.

- (57) “**Real Property Leases**” means those real property leases set forth in Schedule 1.1(57).
- (58) “**Receivables**” means all accounts receivable, bills receivable, trade accounts, book debts and other amounts owed to either Vendor Company, including recoverable deposits, relating to the Business or the Purchased Assets.
- (59) “**Restricted Rights**” has the meaning given in Section 2.8(a).
- (60) “**SISP**” means the existing sale and investment solicitation process approved by the Court with respect to the Purchased Assets.
- (61) “**Taxes**” means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, land transfer, real property and personal property taxes, and any other taxes, customs duties, fees, assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance payments and workers compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties, imposed by any governmental authority (including federal, state, provincial, municipal and foreign governmental authorities), and whether disputed or not.
- (62) “**Transaction**” means the transaction of purchase and sale and assumption of liabilities contemplated by this Agreement.
- (63) “**Transferred Employees**” means Employees who have accepted an offer of employment from the Purchaser as of Closing Date.
- (64) “**Transition Services Agreement**” means that certain services and/or support agreement to be negotiated and entered into between the Vendor and the Purchaser in consultation with the Monitor for the provision of services by the Vendor to the Purchaser for an agreed upon period which services shall be those currently used and necessary to operate the Business.
- (65) “**TSA Termination Date**” means the date on which the Transition Services Agreement is terminated pursuant to its terms.
- (66) “**Vendor**” has the meaning given in the recitals above.
- (67) “**Vendor’s Solicitors**” means Stewart McKelvey.
- (68) “**Vesting Order**” means an order made by the Court vesting in the Purchaser all the right, title and interest of each Vendor Company in the Purchased Assets free and clear of all Liens (except the Permitted Liens), in form and substance satisfactory to the Purchaser, in its sole discretion.

1.2 **Headings.**

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 **No Strict Construction.**

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 **Number and Gender.**

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders. Where the word “including” or “includes” is used in this Agreement, it means “including (or includes) without limitation”.

1.5 **Business Days.**

If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be made or taken on the next Business Day.

1.6 **Currency and Payment Obligations.**

Except as otherwise expressly provided in this Agreement:

- (1) all dollar amounts referred to in this Agreement are stated in Canadian Dollars; and
- (2) any payment contemplated by this Agreement shall be made by cash, certified cheque or any other method that provides immediately available funds.

1.7 **Statute References.**

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

1.8 **Section and Schedule References.**

Unless the context requires otherwise, references in this Agreement to Sections or Schedules are to Sections or Schedules of this Agreement. The Schedules to this Agreement, listed as follows, are an integral part of this Agreement:

Schedule 1.1(3)	Acquired Contracts
Schedule 1.1(4)	Acquired Personal Property Leases
Schedule 1.1(5)	Acquired Real Property Leases
Schedule 1.1(28)	Excluded Contracts
Schedule 1.1(47)	Permitted Liens
Schedule 1.1(57)	Real Property Leases
Schedule 2.6	Allocation of Purchase Price and Accrued Liabilities

ARTICLE 2
PURCHASE OF ASSETS

2.1 Agreement to Purchase and Sell.

Subject to the terms and conditions of this Agreement, the Vendor shall sell and the Purchaser shall purchase the Purchased Assets.

2.2 Assumption of Liabilities

The Purchaser shall assume as of the Closing Time and shall pay, discharge and perform, as the case may be, from and after the Closing Time, the Assumed Liabilities.

2.3 Amount of Purchase Price.

The purchase price payable by the Purchaser to the Vendor for the Purchased Assets (the “**Purchase Price**”) shall be One Million Dollars (\$1,000,000), plus the amount of the Accrued Liabilities as set out in Schedule 2.6, subject to adjustment pursuant to Section 7.2, plus HST payable pursuant to applicable law.

2.4 Deposit.

No deposit in respect of the Transaction and this Agreement is being provided by the Purchaser.

2.5 Payment of Purchase Price.

The Purchase Price shall be paid and satisfied by the Purchaser at the Closing by the Purchaser paying One Million Dollars (\$1,000,000) to the Monitor, by wire transfer of immediately available funds to be held by the Monitor in a segregated special purpose account, and assuming the Assumed Liabilities (including the Accrued Liabilities).

The Monitor shall release the Purchase Price to or at the direction of the Company for the sole purpose of making the following payments in the following order of priority: (i) any outstanding payroll obligations for wages in respect of the Transferred Employees for any period commencing since the last processed payroll to Closing; (ii) amounts owing under the Acquired Agreements for any period commencing on the Filing Date up to Closing, and (iii) in respect of other costs, expenses and liabilities of the Vendor incurred from the period commencing on the Filing Date up to Closing as agreed to by the Vendor and the Monitor including, Closing costs incurred by the Vendor in connection with the Transaction.

2.6 Allocation of Purchase Price.

The Purchase Price shall be allocated among the Purchased Assets and each Vendor Company in the manner agreed to by the Purchaser and Vendor prior to Closing (acting reasonably) and as set out in Schedule 2.6. For certainty, Schedule 2.6 shall also include the amount of each of the Accrued Liabilities. The Parties shall file their respective income tax returns prepared in accordance with such allocations.

2.7 Tax Elections

- (a) Purchaser and Vendor shall jointly make the election(s) provided for under subsection 167(1) of the ETA (and any other similar election provided in an applicable law in any jurisdiction of Canada imposing a similar value-added Tax), so that no GST/HST (or

similar value-added Tax) will be payable in respect of the transfer of the Purchased Assets. Purchaser and Vendor shall complete the prescribed election form in respect of such election(s), and Purchaser shall file such election(s) as required by applicable law. Purchaser shall indemnify and hold the Vendor and their current directors harmless solely for any tax, penalty or interest that may be assessed or arise from a future reassessment against the Vendor as a consequence of Purchaser not filing the prescribed election(s) in the prescribed time or manner with the Canada Revenue Agency or other relevant Tax authority, or as a consequence of the election provided for under subsection 167(1) of the ETA (or other applicable law) not being available in respect of the transfer of the Purchased Assets contemplated by this Agreement.

- (b) To the extent Purchaser and Vendor, acting reasonably, determine that the election under section 22 of the *Income Tax Act* (Canada) is available with respect to the transfer of the Receivables, the Purchaser and the Vendor shall execute jointly an election in prescribed form under Section 22 of the *Income Tax Act* (Canada) in respect of the Receivables and shall each file such election with their respective tax returns for their respective taxation years that include the Closing Date.
- (c) If requested by the Purchaser, the Purchaser and the relevant Vendor Company, as applicable, shall execute jointly election under subsection 20(24) of the *Income Tax Act* (Canada) (and any similar provision of any provincial legislation) in respect of the amount, if any, paid by such Vendor Company to the Purchaser for assuming future obligations, and the parties shall prepare their respective tax returns in a manner consistent with such joint election. The elected amount under such joint election shall be consistent with the Purchase Price allocation as determined pursuant to Section 2.6. The Parties agree and acknowledge that a portion of the Purchased Assets transferred by such Vendor Company to the Purchaser hereunder with a value equal to the amount elected under subsection 20(24) of the *Income Tax Act* (Canada), if any, is being transferred by such Vendor Company to the Purchaser as payment for the assumption by the Purchaser of such future obligations.

2.8 Acquired Agreements

- (a) Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or transfer any Purchased Asset or any right thereunder if an attempted assignment or transfer, without the consent of a third Person, would constitute a violation of an Applicable Law, breach or in any way adversely affect the rights of the Purchaser thereunder (“**Restricted Rights**”), unless the assignment is subject to an Assignment Order or otherwise excused by operation of Applicable Law. The Vendor shall use commercially reasonable efforts to take all such action, and use commercially reasonable efforts to do or cause to be done all such things, in each case, as are reasonably necessary or proper, and the Vendor shall not be required to incur any costs or expenses in relation thereto unless the Purchaser agrees in advance to reimburse the Vendor for any such costs and expenses, in order that the obligations of any Vendor Company under such Restricted Rights may be performed in such manner that, following Closing, the value of such Restricted Rights is preserved and inures to the benefit of the Purchaser, and that any amounts due and payable, or which become due and payable, in and under the Restricted Rights by a co-contracting party are received by the Purchaser. Subject to payment or performance of all liabilities or obligations in respect thereof to a Vendor Company by the Purchaser (other than with respect to any Excluded Liabilities), each Vendor Company shall reasonably promptly pay to the Purchaser all amounts collected by or paid to each

such Vendor Company in respect of all such Restricted Rights. The Vendor shall not, without the prior written consent of the Purchaser, agree to any modification of any Restricted Rights. Prior to obtaining any third Person consent or Assignment Order that is required to assign or transfer a Restricted Right, Purchaser may, upon written notice to Vendor, declare any such Restricted Right to be an Excluded Asset hereunder and Purchaser shall not assume or otherwise have any liability in respect of same.

- (b) If notwithstanding the efforts of the Vendor, a consent to transferring the Restricted Rights to the Purchaser is required but not obtained by the Closing Time or such assignment is not attainable, neither the Vendor nor the Purchaser shall be in breach of this Agreement nor shall the Purchase Price be adjusted nor, subject to the Purchaser's termination right set forth in Section 5.3, shall the Closing be delayed in respect of the Acquired Agreements; provided, however, if the Closing occurs, then, with respect to any Restricted Rights for which consent or approval is required but not obtained, from and after the Closing for a period of no more than three (3) months, the Vendor shall cooperate with the Purchaser, at the Purchaser's cost and expense, in any commercially reasonable arrangement that the Purchaser may request to provide the Purchaser with all of the benefits related to such Restricted Rights (including enforcement for the benefit of the Purchaser of any and all rights of any Vendor Company against any party to the applicable Restricted Rights arising out of the breach or cancellation thereof by such party) and the Purchaser shall be responsible for, and shall promptly pay and perform all payment and other obligations under such Restricted Rights to the same extent as if such Restricted Rights had been assigned or transferred at Closing; provided, however, that the Purchaser and the Vendor agree that nothing in this Section 2.8 shall operate to prohibit or diminish in any way the right of any Vendor Company to dissolve, windup or otherwise cease operations as it may determine in its sole discretion, or require any Vendor Company to take any illegal action or commit fraud on any Person; provided further, however, that, notwithstanding the foregoing, a Vendor Company shall not dissolve, windup or otherwise cease operations during such three (3) month period following Closing to the extent the Purchaser requests that it be provided with the benefits relating to such Restricted Rights pursuant to a transition services agreement or otherwise. Any Restricted Rights for which any required third Person consent or Assignment Order is not obtained during such three (3) month period following the Closing shall, subject to Purchaser providing written notice to the contrary to the Vendor on or before the expiry of such three (3) month period, be deemed an Excluded Asset hereunder and Purchaser shall not assume or otherwise have any liability in respect of same.
- (c) Subject to the terms and conditions of this Agreement, each Vendor Company hereby agrees to assign to the Purchaser on the Closing Date, effective as of the Closing Time (or, in respect of Acquired Agreements with Restricted Rights that do not become and are not deemed to be Excluded Assets pursuant to this Section 2.8, such other date and/or time after Closing determined by the Purchaser), all of such Vendor Company's rights, benefits and interests in, to and under the Acquired Agreements, in accordance with: (i) this Agreement; (ii) an Assignment Order, and (iii) the Vesting Order, as applicable. The Vendor shall use commercially reasonable efforts to obtain any necessary consents or approvals in order to assign the Acquired Agreements. The Vendor shall take such other actions as are commercially reasonable to cause the Acquired Agreements to be assigned by a Vendor Company to, and assumed by, the Purchaser as of the Closing Time. At or prior to the Closing Time, the Vendor will comply with the Applicable Laws in its efforts under this Section 2.8 to assign the Acquired Agreements to the Purchaser. The Purchaser will use its commercially reasonable efforts to assist a Vendor Company in obtaining any

such consents, approvals and waivers. For greater certainty, and notwithstanding anything else herein contained, the Purchaser shall be entitled to communicate with the counterparty to any Contract to which a Vendor Company is a party in connection with the transactions contemplated by this Agreement, in consultation with such Vendor Company, and such Vendor Company shall take all such reasonable actions as are necessary to facilitate such communications by the Purchaser. Cure Costs in respect of Acquired Agreements shall be paid by the Purchaser, provided for certainty that the Purchaser shall not be obligated to pay any Cure Cost in respect of any Contract that is not an Acquired Agreement including any Restricted Rights.

- (d) The Purchaser may at its sole cost and expense, at any time prior to two (2) Business Days prior to the Closing Date or any other date that the Parties may agree to in writing (including via exchange of email by counsel to the Vendor and counsel to the Purchaser), each acting reasonably and cooperatively with the other, add to or remove from Schedules 1.1(3), 1.1(4), 1.1(5) and 1.1(28) of this Agreement or an Excluded Asset, as applicable, for any reason and any such Contracts, Personal Property Leases and Real Property Leases shall automatically, upon its addition or deletion from Schedules 1.1(3), 1.1(4), 1.1(5) or 1.1(28) of this Agreement become an Acquired Agreement or an Excluded Asset, as applicable, provided that, (i) the Vendor shall not be required to obtain a consent to assign or an assignment order in respect of any Contract, Personal Property Lease or Real Property Lease not listed on Schedules 1.1(3), 1.1(4), 1.1(5) or 1.1(28) of this Agreement at least two (2) Business Days prior to the Closing Date or any other date that the Parties may agree to in writing (including via exchange of email by counsel to the Vendor and counsel to the Purchaser), each acting reasonably and cooperatively with the other; (ii) the Purchase Price shall not in any way be reduced as a consequence thereof; and (iii) for greater certainty, any Cure Costs relating to such Acquired Agreements shall be payable in accordance with Section 2.8(c).
- (e) If it is determined, either before or after Closing, that any Vendor Company has any ownership in any property or assets used in connection with the Business which is not an Excluded Asset and which should be or otherwise should have been transferred and assigned to the Purchaser, the Vendor shall, at the request or with the consent of the Purchaser, take all such actions necessary to transfer and assign to the Purchaser (at, or as soon as practicable after, the Closing), for no additional consideration, such property or assets free and clear of Encumbrances (other than any Permitted Encumbrance), including by obtaining a further vesting Order of the Court in respect of such property or assets, and to execute and deliver to the Purchaser on request by the Purchaser from time to time such other instruments of transfer, consents, notices and documents as may be necessary or desirable to effectively transfer to the Purchaser such property or assets free and clear of Encumbrances (other than any Permitted Encumbrance).
- (f) Subject to Section 2.8(c), if it is determined by the Purchaser following Closing that an Excluded Contract is necessary for the operation of the Business, the Vendor shall take all such commercially reasonable actions necessary to assign such Excluded Contract (as soon as reasonably practicable) to the Purchaser, at the Purchaser's cost and expense, for no additional consideration, including by seeking consent of the counterparty to such Excluded Contract, or pursuant to an Assignment Order, and to execute and deliver to the Purchaser on request by the Purchaser from time to time such other instruments of transfer, assignments, consents, notices and documents as may be reasonably necessary to effectively assign to the Purchaser such Excluded Contract.

- (g) Notwithstanding the foregoing, (i) nothing in this Section 2.8 shall require the Vendor to renew any Restricted Rights once they have expired and (ii) any efforts required of the Vendor pursuant to this Section 2.8 shall (A) in respect of all costs and expenses of the Vendor arising after the Closing Date, be paid directly by the Purchaser, to the extent arising in respect of or related to (i) any such arrangement which the Vendor would not have otherwise incurred had no assignment intervened or (ii) compliance by the Vendor with this Section 2.8, (B) be strictly on an interim basis and in no event required to continue for more than four (4) months following Closing, and (C) to the extent not prohibited, be of an administrative nature only, without any substantive function. The Purchaser shall pay all costs and expenses, as provided for above and indemnify and hold the Vendor harmless from and against all claims, incurred or asserted, as a result of any actions taken pursuant to this Section 2.8 other than resulting from fraud or gross negligence, as determined by a final non-appealable order entered by a court of competent jurisdiction.

2.9 **Excluded Liabilities.**

Other than the Assumed Liabilities, the Purchaser shall not assume and shall not be liable for any debts, liabilities or other obligations of any Vendor Company, including (“**Excluded Liabilities**”):

- (a) any payments or entitlements that any Vendor Company owes to any current or former employees, officers, directors, or consultants, including wages, other remuneration, holiday or vacation pay, bonus, change of control, retention, key employee incentive plan payments, termination or severance pay (statutory or otherwise), early retirement payments, commission, post-employment medical or life obligations, pension contributions, insurance premiums, taxes, and any other liability, payment or obligations related to such current or former employees, officers, directors, and consultants (including any liability arising under any law dealing with “collective”, “group” or “mass” termination of employment and any similar federal, state, provincial or local law), any withdrawal liability or wind up or termination liability related to any Employee plan and any such liabilities arising out of or resulting in connection with the consummation of the transactions contemplated by this Agreement to the extent that a Vendor Company maintains a group health plan after the Closing, in the case of each of the foregoing, to the extent incurred, accrued or arising on or prior to the Closing;
- (b) any liability relating to any Employee that does not become a Transferred Employee and any liability relating to any former employee of any Vendor Company that is not an Employee, including any retired employee of any Vendor Company;
- (c) any obligation, liability or expense under or relating to any collective agreement which the Purchaser does not explicitly assume;
- (d) any obligation, liability or expense relating to or arising out of the employment practices of any Vendor Company occurring prior to the Closing, including any violation by any Vendor Company of any labor or employment agreement; and
- (e) any obligation, liability or expense relating to or arising out of all Employee plans, including without limitation, any pension plans (including any normal cost contributions, any contributions in respect of any provision for adverse deviation or any special payments in respect of any pension plans, whether ongoing or wound up and whether such contribution or payment is accrued or due and payable as of or after the Closing Date) or capital accumulation plans.

2.10 **Excluded Assets.**

Notwithstanding anything to the contrary in this Agreement, the Purchaser may, at its option, exclude any of the Purchased Assets from the Transaction prior to the Time of Closing, upon written notice to the Vendor and the Monitor, whereupon such Purchased Assets shall be Excluded Assets, provided, however, that there shall be no adjustment in the Purchase Price.

ARTICLE 3 CLOSING ARRANGEMENTS

3.1 **Closing.**

The Closing shall take place at the Closing Time at the offices of the Vendor's solicitors, or at such other time on the Closing Date or such other place as may be agreed orally or in writing by the Vendor and the Purchaser, with the consent of the Monitor.

3.2 **Closing Date.**

The Transaction shall be completed by the Parties on August 24, 2024, or such other date as may be agreed between the parties hereto in writing, with the consent of the Monitor (the "**Closing Date**"). If, prior to the Closing, the Vesting Order shall have been appealed or a proceeding shall have been commenced to restrain or prevent the completion of the Transaction, then the Closing Date may be extended by the Vendor provided such Closing Date shall not extend past the Outside Date without mutual agreement of the Vendor and the Purchaser.

3.3 **Vendor's Closing Deliveries.**

At the Closing, the Vendor shall deliver or cause to be delivered to the Purchaser the following documents:

- (a) the election referred to in Section 2.7(a) and, to the extent applicable, the election referred to in Section 2.7(b) and, to the extent requested by the Purchaser, the election referred to in Section 2.7(c);
- (b) a certificate, dated as of the Closing Date, confirming (i) all representations and warranties of each Vendor Company contained in this Agreement are true as of the Closing Date, with the same effect as though made on the ad as of the Closing Date; and (ii) that each of the Vendor's conditions precedent in Section 5.2 of this Agreement have been fulfilled, performed or waived as of the Closing Date;
- (c) a true copy of the Vesting Order, which shall be final, and the vesting certificate relating thereto;
- (d) true copies of any Assignment Order;
- (e) the Transition Services Agreement duly executed by each Vendor Company in a form satisfactory to the Purchaser, in its sole discretion;
- (f) all deeds of conveyance, bills of sale, assurances, transfers, assignments, consents, and such other agreements, documents and instruments as may be reasonably requested by the Purchaser to complete the Transaction.

3.4 **Purchaser's Closing Deliveries.**

At the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor (or, in the case of paragraph (a) below, the Monitor) the following documents and payments:

- (a) the payments referred to in Sections 2.5;
- (b) the election referred to in Section 2.7(a) and, to the extent applicable, the election referred to in Section 2.7(b) and, to the extent requested by the Purchaser, the election referred to in Section 2.7(c);
- (c) a certificate, dated as of the Closing Date, confirming (i) all representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on the ad as of the Closing Date; and that each of the Purchaser's conditions precedent in Section 5.1 of this Agreement have been fulfilled, performed or waived as of the Closing Date;
- (d) the Debt Repayment Agreement duly executed by the Purchaser in a form satisfactory to the Vendor, acting reasonably;
- (e) the Transition Services Agreement duly executed by the Purchaser in a form satisfactory to the Vendor, acting reasonably;
- (f) evidence of the contribution of the direct-to-home package delivery business in a form satisfactory to the Vendor, acting reasonably, in accordance with Section 7.5;
- (g) an assumption of liabilities and all such other assignments, consent, agreements, documents and instruments as may be reasonably requested by the Vendor to complete the Transaction.

3.5 **Risk.**

The Purchased Assets are and shall remain at the Vendor's risk until Closing, and the Vendor shall hold all insurance policies and the proceeds thereunder, in trust, for the Parties as their respective interests may appear pending Closing. From and after Closing, the Purchased Assets shall be at the risk of the Purchaser. In the event that any or all the Purchased Assets shall be materially damaged prior to Closing, then the Vendor shall advise the Purchaser, in writing, within two (2) Business Days of the Vendor learning of same. If the cost of rectifying such damage exceeds two hundred thousand Dollars (\$200,000), then the Vendor shall be entitled, in its sole and absolute discretion, to elect to terminate this Agreement by notice, in writing, to the Purchaser and in such event the Parties hereto shall be released from all obligations and liabilities hereunder. If the Vendor shall not elect to terminate this Agreement as set out above, or if the cost of rectifying such damage does not exceed two hundred thousand Dollars (\$200,000), then the Transaction shall be completed.

ARTICLE 4
INSOLVENCY PROVISIONS

4.1

- (a) As soon as practicable following execution of this Agreement by the Parties and in any event within no later than three (3) days thereof, the Monitor shall file a notice of motion seeking the issuance of the Vesting Order, and following the entry of the Vesting Order.
- (b) In the event that the Purchaser identifies any Assigned Contracts for which an Assignment Order is required, it shall notify the Vendors and the Monitor as soon as reasonably practicable thereafter and the Vendors, or the Monitor, shall file a motion (at the Purchaser's expense) to seek such Assignment Order.
- (c) From and after the date of this Agreement and until the Closing Date (or, in respect of any Assignment Order for Excluded Contracts with Restricted Rights contemplated in Section 2.8(f), the date such Assignment Order is final), the Vendor shall request that the Monitor deliver to the Purchaser drafts of any and all pleadings, motions, notices, statements, applications, schedules, reports, and other papers to be filed or submitted by in connection with or related to this Agreement, including with respect to the Initial CCAA Order, the SISP, the Vesting Order and any Assignment Order, for the Purchaser's prior review at least three (3) days in advance of service and filing of such materials or such shorter period of time as is practicable in the circumstances. The Vendor acknowledges and agrees it will advise the Monitor that any such pleadings, motions, notices, statements, applications, schedules, reports, or other papers must be in form and substance satisfactory to the Purchaser, acting reasonably, and it will, and will request that the Monitor, consult and cooperate with the Purchaser regarding any discovery, examinations and hearing in respect of any of the foregoing, including the submission of any evidence, including witnesses testimony, in connection with such hearing.
- (d) Notice of the motions seeking the issuance of the Vesting Order, any Assignment Order, and any order pertaining to the SISP shall be served on all Persons required to receive notice under Applicable Law and the requirements of the CCAA, the Court and any other Person determined necessary by the Vendor or the Purchaser provided that the Purchaser shall provide the Vendor and the Monitor with the names and contact information (including email addresses) for any additional parties to be served other than those currently listed on the service list in the CCAA Proceedings by no later than 5 days after this Agreement has been signed.
- (e) Notwithstanding any other provision herein, it is expressly acknowledged and agreed that in the event that the Vesting Order has not been issued and entered by the Court by August 13, 2024 or such later date agreed to in writing by the Purchaser, in its sole discretion, the Purchaser may terminate this Agreement.
- (f) Each Vendor Company covenants and agrees that if the Vesting Order is issued and entered, the terms of any plan submitted by any Vendor Company to the Court for sanction or confirmation, as applicable, shall not conflict with, supersede, abrogate, nullify, modify or restrict the terms of this Agreement, the obligations of any Vendor Company hereunder or the rights of the Purchaser hereunder, or in any way prevent or interfere with the consummation or performance of the transactions contemplated by this Agreement, including any transaction that is contemplated by or approved pursuant to Vesting Order.

- (g) If the Vesting Order or any other Orders of the Court, as applicable, relating to this Agreement is appealed or a motion for rehearing or reargument is filed with respect thereto, each Vendor Company agrees to take all action as may be commercially reasonable and appropriate to defend against such appeal, petition or motion.
- (h) Each Vendor Company acknowledges and agrees, and the Vesting Order shall provide that, on the Closing Date and concurrently with the Closing, the Purchased Assets shall be transferred to the Purchaser free and clear of all Encumbrances except for the Permitted Encumbrances.

ARTICLE 5

CLOSING AND TERMINATION

5.1 Purchaser's Conditions.

The Purchaser shall not be obliged to complete the Transaction unless, at or before the Closing Time, each of the following conditions has been satisfied, it being understood that the following conditions are included for the exclusive benefit of the Purchaser and may be waived, in whole or in part, in writing by the Purchaser, at any time; and the Vendor agrees with the Purchaser to take all such actions, steps and proceedings within its reasonable control as may be necessary to ensure that the following conditions are fulfilled at or before the Closing Time:

- (a) *Representations and Warranties.* The representations and warranties of each Vendor Company in Section 6.2 shall be true and correct at the Closing.
- (b) *Vendor's Compliance.* Each Vendor Company shall have performed and complied with all of the terms, covenants and conditions in this Agreement on its part to be performed or complied with at or before Closing and shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 3.3 or elsewhere in this Agreement.
- (c) *No Litigation.* There shall be no litigation or proceedings pending against any of the Parties hereto or involving any of the Purchased Assets for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper.
- (d) *Intercreditor Agreement.* Fiera shall have entered into the Intercreditor Agreement with Postmedia and Postmedia's lenders in form and substance acceptable to Postmedia, in its sole discretion.
- (e) *Collective Agreements.* The agreements provided for in Section 7.10 shall have been agreed on and entered into, subject to Closing.
- (f) *Pension Plans.* The Vendor shall have adopted such resolutions as may be required to wind up of the registered pension plans effective as of the date immediate prior to the Closing Date and shall have taken such steps, including having directed the third party administrators of the registered pension plans, necessary to commence the winding up of such plans with a wind up effective date as of the date immediate prior to the Closing Date.
- (g) *Vesting Order(s).* The Vesting Order shall have been obtained and shall not have been stayed, varied or set aside.

- (h) *No Material Adverse Effect.* No change, event, fact, condition, occurrence or circumstance, individually or in the aggregate, shall have occurred since the Filing Date that: (i) has, or would reasonably be expected to have, a material adverse effect on the operations, results of operations or condition (financial or otherwise) of the Business, (ii) materially and adversely impairs the Purchased Assets or the Business, taken as a whole, or (iii) materially and adversely increases the Assumed Liabilities; other than any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Vendors or the Business with any of its current or prospective employees, customers, security holders, financing sources, suppliers or other business partners as a result of the actions of the Purchaser in connection with the announcement of the Transaction.
- (i) *Debt Repayment Agreement.* Fiera and the Purchaser shall have entered into the Debt Repayment Agreement on terms and conditions satisfactory to the Purchaser, acting reasonably.
- (j) all documents required to effect the change of names contained in Section 8.4 shall be delivered to the Purchaser in form and substance satisfactory to the Purchaser, acting reasonably.

5.2 **Vendor's Conditions.**

The Vendor shall not be obliged to complete the Transaction unless, at or before the Closing Time, each of the following conditions has been satisfied, it being understood that the following conditions are included for the exclusive benefit of the Vendor, and may be waived, in whole or in part, in writing by the Vendor at any time; and the Purchaser agrees with the Vendor to take all such actions, steps and proceedings within the Purchaser's reasonable control as may be necessary to ensure that the following conditions are fulfilled at or before the Closing Time:

- (a) *Representations and Warranties.* The representations and warranties of the Purchaser in Section 6.1 shall be true and correct at the Closing.
- (b) *Purchaser's Compliance.* The Purchaser shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed by or complied with at or before the Closing Time and shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing Time all the documents contemplated in Section 3.4 or elsewhere in this Agreement.
- (c) *Vesting Order.* The Vesting Order shall have been obtained and shall not have been stayed, varied or set aside.
- (d) *Intercreditor Agreement.* Postmedia and its lenders shall have entered into the Intercreditor Agreement with Fiera.
- (e) *No Litigation.* There shall be no litigation or proceedings pending against any of the Parties hereto, or involving the Business or any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper.
- (f) *No Purchaser Material Adverse Effect.* No change, event, fact, condition, occurrence or circumstance, individually or in the aggregate shall have occurred that has, or would

reasonably be expected to have, a material adverse effect on the ability of the Purchaser to operate the Business following Closing.

5.3 **Termination**

This Agreement may be terminated at any time prior to Closing as follows:

- (a) by written agreement of the Vendor and the Purchaser;
- (b) by either the Purchaser or the Vendor, if the Intercreditor Agreement has not been negotiated and fully executed by all the relevant Parties thereto on or before the Closing Date;
- (c) by either the Vendor or the Purchaser, if, on or before August 5, 2024 the documents in Section 7.10 have not been agreed to;
- (d) by either the Purchaser or the Vendor if the Transition Services Agreement has not been negotiated and fully executed by all relevant Parties thereto on or before the Closing Date;
- (e) by either Purchaser or the Vendor, if Closing has not occurred on or before the Outside Date or such later date agreed to by both the Vendor and the Purchaser in writing (including via exchange of email by counsel to the Vendor and counsel to the Purchaser), provided that the terminating Party is not in breach of any representation, warranty, covenant or other agreement in this Agreement which would prevent the satisfaction of the conditions in Section 5.1 and Section 5.2 by the Outside Date;
- (f) by either the Purchaser or the Vendor, if any third party attempts to take steps to cause the Purchaser to be liable for past service pension liabilities of the Vendor;
- (g) by the Purchaser, upon the appointment of a receiver, trustee in bankruptcy or similar official in respect of any Vendor Company or any of the property of any Vendor Company, other than with the prior written consent of the Purchaser;
- (h) by the Purchaser, pursuant to Section 4.1(e);
- (i) by the Purchaser or the Vendor, upon the dismissal or conversion of the CCAA Proceedings;
- (j) by the Purchaser or the Vendor, upon denial of the Vesting Order, or of any Assignment Order;
- (k) by the Purchaser or the Vendor, if a court of competent jurisdiction or other Governmental Authority has issued an Order or taken any other action permanently restraining, enjoining or otherwise prohibiting the consummation of Closing and such Order or action has become final and non-appealable;
- (l) by the Purchaser, if any of the SISP, the Vesting Order or an Assignment Order has been stayed, vacated or varied without the Purchaser's prior written consent;
- (m) by the Vendor, if there has been a material violation or breach by the Purchaser of any covenant, representation or warranty which would prevent the satisfaction of the conditions

set forth in Section 5.1 or Section 5.2, as applicable, by the Outside Date and such violation or breach has not been waived by the Vendor or cured within five (5) Business Days after written notice thereof from the Vendor, unless the Vendor is in material breach of their obligations under this Agreement which would prevent the satisfaction of the conditions set forth in Section 5.1 or Section 5.2, as applicable, by the Outside Date; and

- (n) by the Purchaser, if there has been a material violation or breach by any Vendor Company of any covenant, representation or warranty which would prevent the satisfaction of the conditions set forth in Section 5.1 or Section 5.2, as applicable, by the Outside Date and such violation or breach has not been waived by the Vendor or cured within five (5) Business Days after written notice thereof from the Purchaser, unless the Purchaser is in material breach of its obligations under this Agreement which would prevent the satisfaction of the conditions set forth in Section 5.1 or Section 5.2, as applicable, by the Outside Date.

The Party desiring to terminate this Agreement pursuant to this Section 5.3 (other than pursuant to Section 5.3(a)) shall give written notice of such termination to the other Party or Parties, as applicable, specifying in reasonable detail the basis for such Party's exercise of its termination rights.

5.4 **Effect of Termination**

- (a) In the event of termination of this Agreement pursuant to Section 5.3, this Agreement shall become void and of no further force or effect without liability of any Party to any other Party to this Agreement except that (a) Article 1, this Section 5.4 and Section 9.1, Section 9.5, Section 9.12, Section 9.13 and Section 9.15 shall survive and (b) no termination of this Agreement shall relieve any Party of any liability for any wilful breach by it of this Agreement, or impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement.

5.5 **Break Fee**

Notwithstanding Section 5.4 or any other provisions of this Agreement, in the event that any Vendor Company completes an Alternative Transaction (as defined below) or an Alternative Transaction otherwise occurs, each Vendor Company shall be liable to Postmedia on a joint and several basis for a total break fee of \$500,000, which shall be paid upon the closing of such Alternative Transaction out of the proceeds of sale. For greater certainty, a Vendor Company shall not enter into any transaction, agreement or arrangement in respect of the Purchased Assets or the Business (but specifically excluding a bona fide credit bid by Fiera and/or Fiera DIP Lender), other than an Alternative Transaction. "Alternative Transaction" means any agreement, arrangement or transaction pursuant to which Person or group of Persons will acquire, directly or indirectly, a Vendor Company all or any significant part of the Purchased Assets or the Business, whether by business combination, merger, tender offer, amalgamation, share purchase, asset purchase, share reorganization or other similar transaction which, in each case, provides for the payment in full by such third party of all existing indebtedness of the Company to Fiera and Fiera DIP Lender as well as the Break Fee, including all principal, interest and costs, as well as any amounts outstanding under the DIP Loan and all other costs and expenses of the Company in respect of the CCAA Proceeding, concurrently with the closing or completion of such Alternative Transaction.

5.6 **Monitor**

When all conditions to Closing set out in this Article 5 have been satisfied and/or waived by the Vendor or the Purchaser, as applicable, the Vendor and the Purchaser, or their respective counsel, shall each

deliver to the Monitor written confirmation, in form and substance satisfactory to the Monitor, that all conditions to Closing have been satisfied or waived, subject to the Monitor's delivery of the Monitor's Certificate to the Purchaser in accordance with the Vesting Order. Upon receipt of such written confirmation, the Monitor shall: (i) issue forthwith its Monitor's Certificate in accordance with the Vesting Order; and (ii) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to each of the Vendor and the Purchaser). The Parties hereby acknowledge and agree that the Monitor will be entitled to file the Monitor's Certificate with the Court without independent investigation upon receiving written confirmation from the Vendor and the Purchaser that all conditions to Closing have been satisfied or waived, and the Monitor will have no liability whatsoever to any of the Vendor or Purchaser or any other Person as a result of filing the Monitor's Certificate.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of Postmedia.

As a material inducement to the Vendor's entering into this Agreement and completing the Transaction and acknowledging that the Vendor is entering into this Agreement in reliance upon the representations and warranties of Postmedia set out in this Section 6.1, Postmedia represents and warrants to the Vendor as follows:

- (a) *Incorporation and Power.* The Purchaser is, or will prior to Closing be, a limited partnership duly formed under the laws of the jurisdiction of its formation and is, or will prior to Closing be, duly organized, validly subsisting and in good standing under such laws.
- (b) *Due Authorization.* The Purchaser has, or will prior to Closing have, all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by it as contemplated by this Agreement and to carry out its obligations under this Agreement and such other agreements and instruments. The execution and delivery of this Agreement and such other agreements and instruments and the completion of the Transaction and such other agreements and instruments have been, or will prior to Closing be, duly authorized by all necessary corporate action on the part of the Purchaser.
- (c) *Enforceability of Obligations.* This Agreement constitutes a valid and binding obligation of Postmedia enforceable against Postmedia in accordance with its terms subject, however, to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of the rights of creditors or others and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought.
- (d) *Financial Ability.* The Purchaser will, prior to Closing, have the financial ability through its own resources or through financing that has been arranged with a recognized financial lending institution, to close the Transaction and pay the Purchase Price on the Closing Date.

6.2 **Representations and Warranties of the Vendor.**

As a material inducement to the Purchaser's entering into this Agreement and completing the Transaction and acknowledging that the Purchaser is entering into this Agreement in reliance upon the representations and warranties of the Vendor set out in this Section 6.2, each Vendor Company represents and warrants to the Purchaser as follows:

- (a) *Non-Residency*: The relevant Vendor Company is not now and does not intend to become, prior to Closing, a non-resident of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada).
- (b) *Authority to Sell*: Subject to obtaining the Vesting Order prior to Closing, on Closing each Vendor Company shall have the power and authority to sell the Purchased Assets, in accordance with the terms and conditions of this Agreement and the Vesting Order.
- (c) *Competition Act*: The aggregate value of the Purchased Assets, and the annual gross revenues from sales in or from Canada generated from the Purchased Assets, does not exceed the amount prescribed under section 110(8) of the *Competition Act*.
- (d) *Cure Costs*: There are no Cure Costs under or relating to any Acquired Contracts with any distributors.
- (e) Each Vendor Company is, and as of the Closing Time will be, a "registrant" under Subdivision D of Division V of Part IX of the *Excise Tax Act* (Canada).

6.3 **Survival of Representations and Warranties.**

The representations and warranties of the Purchaser and Vendor contained in Sections 6.1 and 6.2, respectively, or any other agreement, certificate or instrument delivered pursuant to this Agreement shall not survive the termination of this Agreement and the completion of the Transaction.

6.4 **"As is, Where is".**

The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an "as is, where is" and "without recourse" basis as they shall exist on the Closing Date. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of the condition of and title to the Purchased Assets as it deemed appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendor to sell or assign same save and except as expressly represented or warranted herein. The description of the Purchased Assets contained in the Schedules hereto is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendor concerning completeness or the accuracy of such descriptions.

6.5 **Brokers; Advisor Fees**

No broker, finder or investment banker is entitled to any brokerage, finder's or other similar fee or commission payable by the Company in connection with the Transaction based upon arrangements made by or on behalf of the Purchaser.

ARTICLE 7
ADDITIONAL AGREEMENTS OF THE PARTIES

7.1 Governance of the Purchaser

The Purchaser covenants with the Vendor that it will take all actions necessary to ensure that, as of the Closing, the board of directors of the Purchaser of the Purchased Assets (or, if applicable, its general partner) will, until the Existing Indebtedness Payoff Date (as such term is defined in the Debt Repayment Agreement), be comprised of three directors, two of whom shall be nominees of the Purchaser and one of whom shall be a nominee of Fiera. In addition, the Purchaser (or, if applicable, its general partner) shall implement the governance arrangements set forth in the Debt Repayment Agreement as of the Closing Date.

7.2 Debt Repayment Agreement

The Purchaser and Fiera shall, acting in good faith, negotiate the terms of, and enter into, the Debt Repayment Agreement on or prior to Closing. The Parties agree that any payments made by the Purchaser under the Debt Repayment Agreement are additional consideration for the Purchased Assets.

7.3 Transition Services Agreement

The Purchaser and the Vendor shall, acting in good faith, negotiate the terms of, and enter into, the Transition Services Agreement to be effective as at the Closing Date.

7.4 Intercreditor Agreement

Fiera shall, acting in good faith, negotiate the terms of and enter into, an inter-creditor agreement with Postmedia and Postmedia's lenders substantially in the form of the Collateral Trust and Agency Agreement provided to Fiera's counsel on July 17, 2024 and otherwise in form and substance acceptable to Postmedia, in its sole discretion, and Postmedia's lenders, in their respective sole discretion, in respect of the arrangements contemplated in the Debt Repayment Agreement (the "**Intercreditor Agreement**").

7.5 Contribution of Direct-to-Home Package Delivery Business

As at Closing, Postmedia shall license, by way of a license distribution arrangement, its direct-to-home package delivery business in the provinces of Nova Scotia, PEI and Newfoundland and Labrador to the Purchaser and the Purchaser shall enter into a sub-distributor agreement with Postmedia to provide such services in those provinces.

7.6 Access to Information

Until the Closing Time, each Vendor Company shall give to the Purchaser's personnel engaged in the Transactions and its accountants, legal advisers, consultants, financial advisors and representatives during normal business hours reasonable access to its premises and to all of the books and records relating to the Purchased Assets and the Assumed Liabilities, and shall furnish them with all such information relating to the Purchased Assets and the Assumed Liabilities as the Purchaser may reasonably request in connection with the Transactions; provided that such access shall be conducted in accordance with Applicable Law and under supervision of the Vendor's personnel and in such a manner as to maintain confidentiality, and each Vendor Company will not be required to provide access to or copies of any such books and records if the provision thereof would (a) cause such Vendor Company to be in contravention of any Applicable Law, (b) result in the loss of any lawyer-client or other legal privilege, or (c) contravene any fiduciary duty or agreement (including any confidentiality agreement to which such Vendor Company).

Each Vendor Company shall use its commercially reasonable efforts to also deliver to the Purchaser authorizations to Governmental Authorities necessary to permit the Purchaser to obtain information in respect of the Purchased Assets from the files of such Governmental Authorities.

7.7 Conduct of Business Until Closing Time

Except: (1) as required by this Agreement; (2) as provided for in any Orders granted in the CCAA Proceedings prior to the Closing Time; (3) as required by Applicable Law (provided that; each Vendor Company shall (x) not, without the prior written consent of the Purchaser, seek any Order of the Court requiring any Vendor Company to refrain from taking any action described in this Section 7.7 or to compel such Vendor Company to take any action described in this Section 7.7, and (y) use its commercially reasonable efforts to oppose any motion or other request seeking such an Order of the Court), each Vendor Company shall:

- (a) (i) operate the Business in the ordinary course of business in all material respects consistent with past practice and pay amounts owing in respect of the operations of the Business on a current basis as they come due; (ii) use commercially reasonable efforts to preserve its business organization and its business relationships and goodwill with customers, suppliers and others having business dealings with it; (iii) pay and discharge the debts authorized by the Court; (iv) use commercially reasonable efforts to maintain in full force and effect all material insurance policies and binders relating to the Business; (v) seek to collect the Receivables in the ordinary course of business and in the same manner as previously collected; and (vi) maintain accounting policies consistent with those in place as of the date hereof; and
- (b) not, without the prior written consent of the Purchaser (the granting of such consent to be in the Purchaser's sole discretion) or as otherwise required by Applicable Law: (i) transfer, lease, license, sell, abandon, fail to maintain, enforce and protect, create any Encumbrance on or otherwise dispose of any of the Purchased Assets, except in the ordinary course of business consistent with past practice; (ii) increase or promise or commit to increase the compensation or benefits of any Employee except as permitted herein; (iii) pay any severance or termination pay to any Employee; (iv) waive, release or settle any material claims held by it that are included in the Purchased Assets; (v) (A) amend, terminate or assign any Acquired Agreement that is included in the Purchased Assets, (B) waive, release, permit the lapse of, relinquish or assign any material rights of any Vendor Company under any Acquired Agreement included in the Purchased Assets, or (C) enter into any lease, Contract, license or other commitment related to the Purchased Assets, other than for non-material Contracts or non-material liabilities entered into in the ordinary course of business; (vi) enter into any Contract which materially restricts the ability of any Vendor Company to engage in any business in any geographic area or channel of distribution; (vii) accelerate the delivery or sale of services or products, or offer discounts or price protection on the sale of services or products or premiums on the purchase of raw materials, except in the ordinary course of business, consistent with past practice; (viii) make any changes in the selling, distribution, advertising, promotion, terms of sale or collection practices of the Vendor, except in the ordinary course of business; (ix) issue any shares or ownership interests or securities convertible or exchangeable for shares or ownership interests; (x) incur any indebtedness other than trade debt incurred in the ordinary course of business; (xi) acquire any businesses or assets outside of the ordinary course of business; (xii) agree or make a commitment, whether in writing or otherwise, to do any of the foregoing; or (xiii) take any action that would make any representation or warranty of any Vendor Company hereunder, or omit to take any action necessary to prevent any

representation or warranty of any Vendor Company hereunder from being, inaccurate in any material respect at, or as of any time before, the Closing Date.

7.8 **Company Employees.**

The Company shall retain those Employees required to provide the services under the Transition Services Agreement until the TSA Termination Date. Purchaser may offer employment, during the duration of the Transition Services Agreement, to those Employees it so wishes to employ effective as of the TSA Termination Date. For greater certainty, the Purchaser shall not be obligated to offer employment to any Employee. The Purchaser shall provide the Vendor with the names of Employees who have accepted an offer of employment by no later than two (2) Business Days prior to the TSA Termination Date.

7.9 **Pension Plans.**

The Vendor shall take, or shall direct the pension plan administrators to take, all steps required to effect the wind up of the registered pension plans sponsored by the Vendor, such wind up to be effective on the date immediately prior to the Closing Date. The Vendor shall adopt such resolutions as may be required to wind up of the registered pension plans effective as of the date immediate prior to the Closing Date and shall provide, or shall direct the third party administrators of the registered pension plans to provide, notice of the wind up in the prescribed form to the prescribed individuals in accordance with applicable pension law and file of such resolutions and notice of the wind up with the applicable Governmental Entity before the Closing Date.

7.10 **Collective Bargaining Agreements**

- (a) The Vendor shall, as soon as practicable following the date hereof, send a communication to its unions to notify them about the Transaction including the Purchaser's requirement that such unions enter into agreements to modify or amend the collective agreements covering the Herald Editorial bargaining unit and the Cape Breton Post bargaining unit on such terms and conditions as are satisfactory to the Purchaser, in its sole discretion (the "**Amended Collective Agreements**").
- (b) The Vendor shall, as soon as practicable following the date hereof notify the unions of the Purchaser's requirement in respect of the Herald Press bargaining unit and the Herald Composing bargaining unit to obtain a release of any successor rights claims under section 31 of the Nova Scotia *Trade Union Act*, RSNS 1989, c475 as against the Purchaser or such other arrangement that is on terms and conditions satisfactory to the Purchaser, in its sole discretion, and the Purchaser agrees to execute any reasonably necessary documentation in connection with such release.

7.11 **Post-Closing Amounts.**

The Vendor shall make arrangements, satisfactory to the Purchaser, to ensure that all amounts received by the Vendor following Closing which relate to the Business or the Purchased Assets in respect of any period following Closing (including the Google Money and the Canadian Journalism Tax Credits) shall promptly be delivered to the Purchaser.

The Purchaser shall make arrangements, satisfactory to the Vendor, to ensure that all amounts received by the Purchaser (or an affiliate) following Closing which relate to the Business or the Excluded Assets which relate to the Business or the Purchased Assets in respect of any period up to and including

Closing (including the Google Money and the Canadian Journalism Tax Credits) shall promptly be delivered to the Vendor.

ARTICLE 8

POST-CLOSING MATTERS

8.1 Access

The Purchaser shall provide the Vendor and its representatives with reasonable access during regular business hours and at the sole expense of the Vendor to the Books and Records for a period of six (6) years after Closing, and, at the request of the Monitor, and at the sole expense of the Monitor, the Purchaser shall provide the Monitor with an electronic copy of all such Books and Records. Subject to the foregoing, the Purchaser shall not destroy any Books and Records without providing the Vendor with thirty (30) days' written notice of the Purchaser's intention to destroy such books and records. If the Vendor objects to the destruction of any or all of the Books and Records at its sole expense within thirty (30) days of receiving such notice, the Vendor shall be responsible to collect such Books and Records from the Purchaser at a mutually agreeable date and time, and the Vendor shall pay the Purchaser for any expenses of the Purchaser associated with the Vendor collecting such Books and Records, failing which the Purchaser may proceed to destroy such Books and Records.

8.2 Non-Merger.

Each party hereby agrees that all provisions of this Agreement, other than the conditions in Article 5, shall forever survive the execution, delivery and performance of this Agreement, Closing and the execution, delivery and performance of any and all documents delivered in connection with this Agreement.

8.3 Further Assurances.

Each Party shall promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things in connection with this Agreement that the other Party may reasonably require, for the purposes of giving effect to this Agreement.

8.4 Change Names

As soon as reasonably practicable on or following the Closing Date (and, in any event, within five (5) Business Days of the Closing Date), the Vendor shall discontinue use of the name "Halifax Herald" and "Saltwire" and any variation thereof, including any names confusingly similar thereto or any similar names indicating affiliation with the Purchaser, the Business or the Purchased Assets, except where legally required to advise that its name has been changed to another name or to refer to the historical fact that the Vendor previously conducted business under the "Halifax Herald" and "Saltwire" names, and each Vendor Company shall as soon as reasonably practicable following Closing file articles of amendment to change the corporate names of each Vendor Company to another name if requested by the Purchaser and otherwise not confusingly similar to its present name. To the extent necessary as determined by the Purchaser, the Vesting Order shall authorize and direct the appropriate Governmental Authority to accept such articles of amendment notwithstanding the insolvency of any Vendor Company. As soon as reasonably practicable following the Closing, the Vendor shall seek relief from the Court to revise the style of cause in the CCAA Proceedings to reflect any such name change.

ARTICLE 9
GENERAL

9.1 **Confidentiality**

After the Closing Time, each Vendor Company shall maintain the confidentiality of all confidential information relating to the Business and the Purchased Assets, except any disclosure of such information and records as may be required by Applicable Law. If any Vendor Company, or any of its or their respective representatives, becomes legally compelled by deposition, interrogatory, request for documents, subpoena, civil investigative demand, or similar judicial or administrative process, to disclose any such information, such Vendor Company shall, or shall cause the applicable representative to, provide the Purchaser with reasonably prompt prior oral or written notice of such requirement (including any report, statement, testimony or other submission to such Governmental Authority) to the extent legally permissible and reasonably practicable, and cooperate with the Purchaser, at the Purchaser's expense, to obtain a protective order or similar remedy to cause such information not to be disclosed; provided, that in the event that such protective order or other similar remedy is not obtained, each Vendor Company shall, or shall cause the applicable representative to, furnish only that portion of such information that has been legally compelled, and shall, or shall cause such representative to, exercise its commercially reasonable efforts to obtain assurance that confidential treatment will be accorded such disclosed information. Each Vendor Company shall instruct its representatives having access to such information of such obligation of confidentiality and shall be responsible for any breach of the terms of this Section 9.1 by any Vendor Company or its representatives.

9.2 **Expenses.**

Each Party shall be responsible for its own legal and other expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transaction and for the payment of any broker's commission, finder's fee or like payment payable by it in respect of the purchase and sale of the Purchased Assets pursuant to this Agreement.

9.3 **Payment of Taxes.**

Except as otherwise provided in this Agreement, the Purchaser shall pay all transfer taxes applicable to, or resulting from Transaction and any filing or recording fees payable in connection with the instruments of transfer provided for in this Agreement. The Purchaser shall indemnify and save the Vendor harmless from and against any and all costs, expenses, liabilities and damages incurred or suffered by the Vendor as a result of the failure of the Purchaser to pay any transfer taxes.

9.4 **Announcements.**

Except as required by law, all public announcements concerning the Transaction or contemplated by this Agreement shall be jointly approved as to form, substance and timing by the parties to this Agreement and the Monitor, after consultation.

9.5 **Notices.**

- (1) Any notice, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by fax or

other similar means of electronic communication, in each case to the applicable address set out below:

(i) if to the Vendor, to:

THE HALIFAX HERALD LIMITED
2717 Joseph Howe Drive
Halifax, Nova Scotia B3L 4T9

Attention: David Boyd (Resolve Advisory Services Ltd.), Chief Restructuring Officer
Email: davidboyd.resolve@gmail.com

with a copy to:

STEWART MCKELVEY
600-1741 Lower Water Street
Halifax, Nova Scotia B3J 0J2

Attention: Maurice Chiasson
Email: mchiason@stewartmckelvey.com

(ii) if to the Purchaser, to:

Postmedia Network Canada Corp.
365 Bloor Street East
Toronto, Ontario M4W 3L4

Attention: Andrew Macleod, President and Chief Executive Officer
Gillian Akai, EVP, Chief Administrative Officer and GC

Email: amacleod@postmedia.com
gakai@postmedia.com

with a copy to:

Goodmans LLP
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Attention: Joseph Pasquariello/Mark Spiro

Email: jpasquariello@goodmans.ca
mspiro@goodmans.ca

(iii) all notices shall also be sent to:

KSV RESTRUCTURING INC.

220 Bay Street, 13th Floor

Toronto, Ontario M5J 2W4

Attention: Robert D. Kofman

Email: bkofman@ksvadvisory.com

Attention: Mitch Vininsky

Email: mvininsky@ksvadvisory.com

with a copy to:

Chaitons LLP

5000 Yonge St, 10th Floor

Toronto, Ontario M2N 7E9

Attention: George Benchetrit

Email: george@chaitons.com

- (2) 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 sending by electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 4:30 p.m. (Atlantic Standard Time) 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. Any such communication sent by mail shall be deemed to have been given and made and to have been received on the fifth (5th) Business Day following the mailing thereof; provided however that no such communication shall be mailed during any actual or apprehended disruption of postal services. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt.
- (3) Any Party may from time to time change its address under this Section 9.5 by written notice to the other Party given in the manner provided by this Section.

9.6 **Time of Essence.**

Time shall be of the essence of this Agreement in all respects.

9.7 **Time Periods.**

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 and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

9.8 **Entire Agreement.**

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises,

warranties, representations, conditions, understandings and agreements between the Parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

9.9 **Amendments and Waiver.**

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Purchaser and the Vendor. The Vendor and the Purchaser may consent to any such amendment at any time prior to the Closing with the prior authorization of their respective boards of directors. No waiver by either Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

9.10 **Severability.**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

9.11 **Language.**

The Parties have required that this Agreement and all deeds, documents and notices relating to this Agreement be drawn up in the English language.

9.12 **Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable in that Province and shall be treated, in all respects, as a Nova Scotia contract.

9.13 **Successors and Assigns.**

No party to this Agreement shall have the right to assign any of its rights and benefits hereunder without the prior written consent of the other party hereto which consent shall not be unreasonably withheld. Postmedia may assign its rights and benefits under this Agreement to an affiliate of Postmedia without Vendor's consent, provided that Postmedia remains liable, jointly, with such affiliate for all the obligations of Postmedia hereunder. To the extent that any such assignment occurs, this Agreement and all provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

9.14 **No Third Party Beneficiaries.**

Subject to the following sentence, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns or as specifically referred to herein. Notwithstanding the foregoing, the current directors of the Vendor shall be entitled to rely on and be third party beneficiaries in respect of the indemnity set out in Section 2.7(a) of this Agreement.

9.15 **Non-Recourse**

No past, present or future director, officer, employee, incorporator, member, partner, securityholder, affiliate, agent, lawyer or representative of the respective Parties, in such capacity, shall have any liability for any obligations or liabilities of the Purchaser or any Vendor Company, as applicable, under this Agreement, or for any claim based on, in respect of or by reason of the transactions contemplated hereby, other than for fraud.

9.16 **Limited Partner**

The parties hereto acknowledge and agree that Postmedia will be a limited partner, as that term is defined in The Partnership Act (Manitoba), of the Purchaser. The Vendor further acknowledges and agrees that: (i) from the first instance in time relevant to the subject matter of this Agreement, including without limitation during all prior communications, discussions and negotiations related to this Agreement, it was disclosed to the Vendor that Postmedia is or will be a limited partner of the Purchaser and, (ii) the Vendor has had at all relevant times to the subject matter of this Agreement actual knowledge that Postmedia is or will be a limited partner of the Purchaser.

9.17 **Counterparts.**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original, faxed or email PDF form and the parties adopt any signatures received by a receiving fax machine or email PDF as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed or emailed.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement.

THE HALIFAX HERALD LIMITED

DocuSigned by:
By: David Boyd
A35178E4B6C0442
Name: David Boyd
Title: Chief Restructuring Officer

I have authority to bind the corporation.

SALTWIRE NETWORK INC.

DocuSigned by:
By: David Boyd
A35178E4B6C0442...
Name: David Boyd
Title: Chief Restructuring Officer

I have authority to bind the corporation.

POSTMEDIA NETWORK INC.

By: _____
Name: Andrew MacLeod
Title: President and CEO

I have authority to bind the corporation

By: _____
Name: John Bode
Title: EVP, Chief Financial Officer and
Chief Transformation Officer

I have authority to bind the corporation

IN WITNESS WHEREOF the parties have executed this Agreement.

THE HALIFAX HERALD LIMITED

By: _____
Name: David Boyd
Title: Chief Restructuring Officer


I have authority to bind the corporation.

SALTWIRE NETWORK INC.


By: _____
Name: David Boyd
Title: Chief Restructuring Officer

I have authority to bind the corporation.

POSTMEDIA NETWORK INC.

By:  _____
Name: Andrew MacLeod
Title: President and CEO

I have authority to bind the corporation

By:  _____
Name: John Bode
Title: EVP, Chief Financial Officer and
Chief Transformation Officer

I have authority to bind the corporation

SCHEDULE 1.1(3)

Acquired Contracts

Information Technology Contracts

1. AWS 547226246789 – Cloud Storage – AWS

Distribution Contracts

2. Distributor Agreement (Area 5) dated May 20, 2024 between The Chronicle Herald and AMHZ Distribution Services.
3. Distributor Agreement (Area 10) dated May 20, 2024 between The Chronicle Herald and AMHZ Distribution Services.
4. Distributor Agreement (Area 17) dated May 20, 2024 between The Chronicle Herald and AMHZ Distribution Services.
5. Distributor Agreement (Area 19) dated May 20, 2024 between The Chronicle Herald and AMHZ Distribution Services.
6. Distributor Agreement (Area 45) dated October 9, 2023 between The Chronicle Herald and 3306146 Nova Scotia Limited.
7. Distributor Agreement (Area 47) dated October 4, 2021 between The Chronicle Herald and 3306146 Nova Scotia Limited.
8. Distributor Agreement (Area 50) dated October 9, 2021 between The Chronicle Herald and 3306146 Nova Scotia Limited.
9. Distributor Agreement (Area 25) dated June 3, 2024 between The Chronicle Herald and 3260491 Nova Scotia Ltd.
10. Distributor Agreement (Area 31) dated June 3, 2024 between The Chronicle Herald and 3260491 Nova Scotia Ltd.
11. Distributor Agreement (Area 32) dated June 3, 2024 between The Chronicle Herald and 3260491 Nova Scotia Ltd.
12. Distributor Agreement (Area 33) dated June 3, 2024 between The Chronicle Herald and 3260491 Nova Scotia Ltd.
13. All contracts on the form of agreement “GoBag Distributor Contract 2020 – Service agreement”
14. All contracts on the form of agreement “CB Flyer Contract – Service agreement”
15. All contracts on the form of agreement “CB Newspaper contract – Service agreement”

Editorial Contracts

16. Agreement dated April 12, 2019 between The New York Times Syndication Sales Corporation d/b/a The New York Times Licensing Group and Saltwire Network, as amended by Amendment 1 effective as of August 1, 2020

Sponsorship Contracts

Sponsorship Agreements between Saltwire Network Inc. and the following parties:

17. Alzheimer's Society of PEI
18. Northwood Foundation
19. Halifax Partnership
20. Easter Seals NL Cabin Lottery
21. Holman Grand
22. Sport Nova Scotia
23. Camber Arts
24. Stephenville Theatre Festival
25. Conseil Acadien de Rustico
26. Cooperative de developpement culturel et patrimonial de
27. Summerside Lobster Carnival (Cultural Summerside)
28. Tuckmore Festival
29. Pride PEI
30. PEI Marathon
31. Feis en Eilain
32. Downtown Charlottetown (Coats for Kids)
33. Discovery Centre
34. CMHA (Mosain for Mental Health)
35. City of Charlottetown
36. Digital Nova Scotia
37. Exploits Chamber of Commerce

38. Music NL Week

Other

39. Any and all revenue generating agreements entered into by any Vendor Company (or either of them) not included in the above.

SCHEDULE 1.1(4)

Acquired Personal Property Leases

1. any and all personal property leases entered into by any Vendor Company (or either of them) in respect of all equipment, tools and fixtures, including without limitation, sortation, shipping and receiving equipment, furniture, personal computers, telephones (including cell phones), tablets and other electronic devices, servers, storage, networking gear, printers, copiers, facsimile machines and production equipment used in the operations of the Business; and
2. any and all personal property leases entered into by any Vendor Company (or either of them) in respect of vehicles used in the operations of the Business;

in each case to the extent that such personal property leases pertain to personal property located at, situated on or used in the operations of the Business conducted at, the properties subject to the Acquired Real Property Leases.

SCHEDULE 1.1(5)

Acquired Real Property Leases

- 7 McCully Street, Amherst, NS
- Unit 20B, 56 Esplanade Street, Truro Centre Mall, Truro, NS

SCHEDULE 1.1(28)

Excluded Contracts

Pension Plans

1. Any and all registered pension plans sponsored by any Vendor Company (or either of them).

Information Technology Contracts

2. Terranova Worldwide (Fortra's) (Cyber Security Training – Staff)
3. Subscription (Weather Company Max Solution) (Quotation Number: 19706178) between IBM Canada Limited and SaltWire Network Inc. effective as of January 1, 2024
4. Service Level Agreement (Digital Ad Operations) effective as of May 1, 2018 by and between Wired Carbon Inc. and Saltwire Inc.
5. License Agreement (Contract No. SN10182019) dated October 18, 2019 between Xpance Inc. and SaltWire Network

Operations Contracts

6. Customer Service Agreement (Waste Management) (Agreement 912174) dated May 8, 2023 between GFL Environmental Inc. and Cape Breton Post
7. Agreement dated June 11, 2017 between Bounty Print Ltd. and Saltwire Network Inc. re: Commercial Print Management Software
8. Cleaning Services Agreement dated October 2, 2018 between Saltwire Network Inc. and Herbert Greeley
9. Pest Control Agreement dated March 31, 2024 (Invoice C-4531159) between Saltwire Network Inc. and Orkin Canada Corporation
10. Lawn Maintenance Agreement dated June 3, 2021 between ProEdge Construction and Maintenance and The Telegram
11. Snow Clearing Agreement dated September 27, 2021 between ProEdge Construction and Maintenance and The Telegram

Distribution Contracts

12. Independent Distribution Contract dated April 11, 2017 between The Telegram, a Division of Transcontinental Atlantic Media Group Inc. and Ken Ayles

Editorial Contracts

13. Content License Agreement dated January 4, 2019 between Postmedia Network Inc. and Brace Holdings Limited

14. Reuter Media Services Order Form and Agreement (Contract No. RAM473) dated January 21, 2019 between Saltwire Network and Thomson Reuters Canada Limited

Sponsorship Contracts

Sponsorship Agreements between Saltwire Network Inc. and the following parties:

15. Corner Brook Winter Carnival
16. Junior Achievement Nova Scotia
17. Newfoundland Rogues Basketball
18. Music PEI
19. Newfoundland & Labrador Athletic Association (NLAA)
20. Downhome Expo
21. Memorial University of Newfoundland
22. Old Orchard Inn
23. Trampoline Branding (Sail GP)
24. Cape Breton Eagles
25. RLM Productions

SCHEDULE 1.1(47)

Permitted Liens

- Liens contemplated by the Debt Repayment Agreement.
- Liens contemplated pursuant to the Intercreditor Agreement and the collateral documents thereunder.

SCHEDULE 1.1(57)

Real Property Leases

Real Property Leases means the leases for the following locations:

- 2717 Joseph Howe Drive, Halifax, NS
- 165 Prince Street, Charlottetown, PEI
- 20 Dickie Road, Borden-Carleton, PEI
- 316 Water Street, Summerside, PEI
- 7 McCully Street, Amherst, NS
- Unit 20B, 56 Esplanade Street, Truro Centre Mall, Truro, NS
- 356 East River Road, New Glasgow, NS
- 10 Webster Street, Kentville, NS

SCHEDULE 2.6

Allocation of Purchase Price and Accrued Liabilities

The Purchase Price allocation will be determined prior to the Closing Date.

Appendix “I”

SUPREME COURT OF NOVA SCOTIA

**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 AND
ARRANGEMENT OF THE HALIFAX HERALD LIMITED,
SALTWIRE NETWORK INC., HEADLINE PROMOTIONAL
PRODUCTS LIMITED, TITAN SECURITY & INVESTIGATION
INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS LIMITED
MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)**

The management of The Halifax Herald Limited, SaltWire Network Inc., Headline Promotional Products Limited, Titan Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited. (the "Companies") has developed the assumptions and prepared the attached statement of projected cash flow as of the 30th day July, 2024 for the period July 20, 2024 to December 14, 2024 ("Cash Flow Forecast"). All such assumptions are disclosed in the notes to the Cash Flow Forecast.

The hypothetical assumptions are suitably supported and consistent with the purpose of the Cash Flow Forecast as described in Note 1 to the Cash Flow Forecast, and the probable assumptions are suitably supported and consistent with the plans of the Companies and provide a reasonable basis for the Cash Flow Forecast.

Since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Cash Flow Forecast has been prepared solely for the purpose outlined in Note 1 using a set of probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow Forecast may not be appropriate for other purposes.

Dated at Halifax, NS this 30th day of July, 2024

**THE HALIFAX HERALD LIMITED,
SALTWIRE NETWORK INC.,
HEADLINE PROMOTIONAL PRODUCTS LIMITED,
TITAN SECURITY & INVESTIGATION INC.,
BRACE CAPITAL LIMITED AND BRACE HOLDINGS LIMITED**


Per: David Boyd

Appendix “J”

SUPREME COURT OF NOVA SCOTIA

**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 AND
ARRANGEMENT OF THE HALIFAX HERALD LIMITED,
SAL TWIRE NETWORK INC., HEADLINE PROMOTIONAL
PRODUCTS LIMITED, TITAN SECURITY & INVESTIGATION
INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS LIMITED
MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)**

The attached statement of projected cash-flow of The Halifax Herald Limited, SaltWire Network Inc., Headline Promotional Products Limited, Titan Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited. (the "Companies") as of the 30th day July, 2024, consisting of a projected cash flow statement for the period July 20, 2024 to December 14, 2024 (the "Cash Flow Forecast") has been prepared by the management of the Companies for the purpose described in Note 1, using probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management and employees of the Companies. We have reviewed the support provided by management for the probable and hypothetical assumptions and the preparation and presentation of the Cash Flow Forecast.

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 Cash Flow Forecast;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Companies or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
- c) the Cash Flow Forecast does not reflect the probable and hypothetical assumptions.

Since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow Forecast will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow Forecast has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 30th day of July, 2024.

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS MONITOR OF
THE HALIFAX HERALD LIMITED, SALTWIRE NETWORK INC.,
HEADLINE PROMOTIONAL PRODUCTS LIMITED, TITAN SECURITY & INVESTIGATION
INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS LIMITED
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “K”

**SECOND AMENDMENT TO SECOND AMENDED & RESTATED TERMS AND CONDITIONS OF
INTERIM FINANCING CREDIT FACILITY
(the “Second Amendment”)**

As of July 10, 2024

WHEREAS the Credit Parties and the Interim Lender (as both terms are defined below) are party to a second amended and restated interim financing term sheet dated as of April 22, 2024, as amended by the first amendment dated as of June 21, 2024 (the “**Amended Interim Financing Term Sheet**”).

AND WHEREAS the Borrowers have entered into an agreement of purchase and sale dated as of July 25, 2024 (the “**Post APA**”) for the sale of certain of their assets and business to Postmedia Network Inc. (“**Post**”).

AND WHEREAS the Borrowers (as defined below) require additional financing to complete the transaction contemplated by the Post APA and to fund other amounts during the *Companies’ Creditors Arrangement Act* (“**CCAA**”) proceedings.

AND WHEREAS the Interim Lender has agreed to provide additional funding and has agreed to amend the Amended Interim Financing Term Sheet pursuant to the terms of this Second Amendment.

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

1. DEFINITIONS: Capitalized terms used herein and not otherwise defined have the meaning given to them in the Amended Interim Financing Term Sheet.
2. FACILITY AMOUNT The definition of “Facility Amount” in paragraph 4 is hereby amended by replacing reference to “\$4,100,000” with “\$7,000,000”.

Notwithstanding paragraph 4, provided that the Post APA has not been terminated, the final \$2.9 million of the Interim Facility shall be drawn pursuant to single Advance request as and when such amount is required pursuant to the Cash Flow.
3. CASH FLOW From and after August 8, 2024, reference to the “Cash Flow” shall be reference to the cash flow attached to the fourth report of the Monitor dated July 30, 2024.
4. CONDITIONS: This Second Amendment shall be subject to the following conditions:
 - (a) The Court shall have issued an order in form and substance satisfactory to the Interim Lender: (i) approving this Second Amendment; (ii) authorizing the increased maximum borrowing amount under this Second Amendment; and (iii) confirming the DIP Lender’s Charge shall secure any and all obligations under the DIP Facility (as amended by this Second Amendment) (the “**Second DIP Increase Order**”);

- (b) The Interim Lender shall have received a fully executed copy of this Second Amendment;
- (c) The Court shall have issued an order in form and substance satisfactory to the Interim Lender approving the Post APA;
- (d) The Court shall have issued an order in form and substance satisfactory to the Interim Lender extending the Stay Period to December 13, 2024; and
- (e) No Event of Default under the Amended Interim Financing Term Sheet shall have occurred.

5. COMMITMENT FEE AND STANDBY FEE:

A commitment fee of 1.00% (\$29,000), plus applicable taxes, is fully earned by Fiera Private Debt Inc. upon execution of this Second Amendment and shall be and deducted from first Advance made after the Second DIP Increase Order is granted.

A standby charge on the unused portion of the Facility Amount equal to 1% per annum shall be payable monthly in arrears on the first day of each month.

6. ADDITIONAL EVENTS OF DEFAULT

In addition to the Events of Default set out in paragraph 18 the following shall also constitute Events of Default under the Amended Interim Financing Term Sheet ("**Additional Event of Default**"):

- 1. the agreements provided for in 5.3(c) of the Post APA have not been satisfied or waived by the Purchaser on or before August 5, 2024;
- 2. the Post APA is amended or varied without the consent of the Interim Lender;
- 3. the Debt Repayment Agreement or other deliverables under the Post APA are on terms unacceptable to the Interim Lender; or
- 4. the Post APA is terminated by either the Borrowers or Post.

7. WIND DOWN FUNDING

In the event that an Additional Event of Default occurs which is not waived by the Interim Lender, the Interim Lender agrees it will work with the Borrowers and the Monitor to provide interim funding required to wind-down the operations of the Borrowers in accordance with a revised cash flow which would be prepared and subject to the approval of the Interim Lender.

8. COUNTERPARTS AND SIGNATURES:

This Second Amendment may be executed in any number of counterparts and by facsimile, PDF or other electronic transmission, each of which when executed and delivered shall be

deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

9. GOVERNING LAW AND JURISDICTION:

This Second Amendment shall be governed by, and construed in accordance with, the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein. The parties hereby attorn to the exclusive jurisdiction of the Court.

(Signatures on following page)

IN WITNESS HEREOF, the parties hereby execute this Second Amendment as at the date first above mentioned.

FIERA PRIVATE DEBT FUND III LP,
by its general partner, **FIERA PRIVATE DEBT FUND GP INC.**

Per: _____
Name: Russell French
ASO

Per: _____
Name: Theresa Shutt
ASO

FIERA PRIVATE DEBT FUND V LP,
by its general partner, **FIERA PRIVATE DEBT FUND GP INC.**

Per: _____
Name: Russell French
ASO

Per: _____
Name: Theresa Shutt
ASO

FIERA PRIVATE DEBT LENDING INC., acting on behalf of **GENERAL PARTNER FIERA FP BUSINESS FINANCING FUND INC.,** the general partner of **FIERA FP BUSINESS FINANCING FUND, L.P.**

Per: _____
Name: Russell French
ASO

Per: _____
Name: Theresa Shutt
ASO

THE HALIFAX HERALD LIMITED

Per: _____
Name: David Boyd
Title: CRO

TITAN SECURITY & INVESTIGATION INC.

Per: _____
Name: David Boyd
Title: CRO

HEADLINE PROMOTIONAL PRODUCTS LIMITED

Per: _____
Name: David Boyd
Title: CRO

SALTWIRE NETWORK INC.

Per: _____
Name: David Boyd
Title: CRO

BRACE CAPITAL LIMITED

Per: _____
Name: David Boyd
Title: CRO

BRACE HOLDINGS LIMITED

Per: _____
Name: David Boyd
Title: CRO