
Procedures for the Sale Process

(Real Estate)

1. On January 27, 2025, Peavey Industries General Partner Limited ("**Peavey GP**"), TSC Stores GP Inc. ("**TSC GP**"), Guys Freightways Ltd. ("**Guys**"), and Peavey Industries Limited ("**Peavey Industries**") sought and obtained an initial order, as amended and restated on February 6, 2025 (the "**ARIO**"), from the Court of the King's Bench of Alberta (the "**Court**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"). The ARIO also extended the benefits of the ARIO to Peavey Industries LP ("**Peavey**") and Peavey Industries Mutual Fund Trust ("**MFT**") (Peavey and MFT, collectively with Peavey GP, TSC GP, Guys, and Peavey Industries, the "**Peavey Group**"). Further documents with respect to the CCAA Proceedings are available on the Monitor's website at <http://cfcanada.fticonsulting.com/Peavey/>

2. The ARIO, among other things:

- (a) Stayed all proceedings against the Peavey Group and their assets;
- (b) Appointed FTI Consulting Canada Inc. as the Monitor of the Peavey Group (in such capacity, the "**Monitor**"); and
- (c) Approved the RE Consulting Agreement between Peavey by its general partner Peavey GP and Gordon Brothers Canada ULC (the "**Advisor**"), as may be amended with Court approval.

3. Further to Peavey Group's restructuring efforts, Peavey Group will, under the supervision of the Monitor and with the assistance of the Advisor, conduct a process to solicit offers from buyers with respect to the Peavey Group's leased store locations, various distribution centres, and/or such furniture, fixtures and equipment (collectively the "**Property**") (the "**Sale Process**").

4. Set forth below are the procedures (the "**Procedures**") to be followed with respect to the Sale Process to be undertaken to seek a Successful Bid(s) (as defined below), and if there is a Successful Bid(s), to complete the transaction(s) contemplated by the Successful Bid(s). The Procedures will be posted to both the Monitor's website and the Data Room.

Defined Terms

5. All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the ARIO. In addition, capitalized terms used but not otherwise defined in these Procedures shall have the following meanings:

"**Administrative Agent**" means 1903P Loan Agent LLC, being the administrative agent for the lenders under a certain credit facility with Peavey dated December 20, 2024; and

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the City of Calgary, Alberta, Canada.

Solicitation Process and Timeline

6. The Sale Process is intended to solicit interest in, and opportunities for an acquisition or assignment of the Property (the "**Opportunity**").

7. The Advisor shall provide prospective bidders with access to due diligence materials concerning the Property. Successful bids will be approved by the Monitor and approved by the Court, if required.

8. The following table sets out the key milestones under this Sale Process, subject to extension by the Advisor with approval of the Monitor pursuant to and in accordance with these Procedures:

Milestone	Deadline
Virtual Data Room Open	February 11, 2025
Marketing Material Completed & Launched	February 11, 2025
Proposal Evaluation / Due Diligence / Negotiation Period	Commencing February 11, 2025
Deadline to Submit Binding Offer	As soon as practical and no later than February 24, 2025
Court Approval	As soon as reasonably possible following the Binding Offer Deadline

Solicitation of Interest: Notice of Sale Process

9. As soon as reasonably practicable:

- (a) The Advisor, in consultation with the Monitor and Peavey Group, will prepare a list of Potential Bidders, including (i) parties that have contacted Peavey Group, the Monitor, or the Advisor indicating an interest in the Opportunity (collectively, the “**Known Potential Bidders**”); and
- (b) The Advisor, with Peavey Group and in consultation with the Monitor, will prepare: (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the procedures under the Sale Process and inviting recipients of the Teaser Letter to express their interest and (ii) a non-disclosure agreement in form and substance satisfactory to the Advisor, Monitor and Peavey Group and their respective counsel which shall inure to the benefit of any purchaser of Property (an “**NDA**”).

10. The Monitor will post information respecting the Opportunity on its website maintained for the CCAA Proceedings. The Advisor will also issue a press release setting out relevant information from such notice with Canada Newswire designating dissemination in Canada and major financial centers in the United States. The Advisor will also undertake such further and other advertising in industry relevant publications as it sees fit.

11. In order to participate in the Sale Process, each person (a “**Potential Bidder**”) must deliver to the Advisor at the addresses specified in **Exhibit “A”** (including by email) hereto an executed NDA, following which the Potential Bidder shall receive access to the electronic data room containing confidential information concerning the Property (the “**Data Room**”). For greater certainty, no Potential Bidder shall receive Data Room access or any confidential information relating to the Property unless and until an executed NDA is delivered to the Advisor.

Sales Process

12. All Potential Bidders that are parties to an NDA with Peavey Group and the Advisor in accordance with these Procedures shall be deemed to be a qualified bidder (a “**Qualified Bidder**”) and will be promptly notified of such classification by the Advisor.

13. As noted, each Qualified Bidder shall be provided with access to the Data Room. The Advisor shall allow each Qualified Bidder such further access to confirmatory due diligence materials as the Advisor deems appropriate in its reasonable business judgement including scheduling set dates and times to facilitate inspections of the Property where the property may be situated by not subject to competitive and other business considerations. Neither the Advisor, the Monitor or Peavey Group make any representations or warranties as to the accuracy or completeness of any information furnished pursuant to these Procedures including, without limitation, the information contained in the Teaser Letter or in the Data Room.

14. A Qualified Bidder that wishes to make a formal offer to purchase Property shall submit a binding offer (a **"Binding Offer"**) and a copy of the purchase and sale agreement that they are prepared to sign (**"Definitive Agreement"**) to the Advisor and Peavey Group at the addresses specified in **Exhibit "A"** hereto so as to be received by each of them no later than 5:00 pm (Mountain Time) on February 24, 2025 or such other date or time as may be agreed to by the Advisor, in consultation with Peavey Group and the Monitor (the **"Binding Offer Deadline"**). Such Binding Offer shall be a **"Qualified Binding Offer"** only if it complies with all of the following:

- (a) it includes a Definitive Agreement describing the terms and conditions of the proposed transaction, including identification of: (i) the Property proposed to be acquired; (ii) the liabilities of Peavey Group proposed to be assumed; (iii) the purchase price for the Property proposed to be acquired expressed in Canadian dollars (the **"Purchase Price"**); (iv) the effective date of the proposed transaction; and (v) the structure and financing of the proposed transaction;
- (b) it clearly identifies the form of consideration being proposed to satisfy the Purchase Price and estimated value of the consideration in Canadian dollars. The Advisor's preference is for cash consideration, provided that the Advisor will consider securities or other forms of consideration;
- (c) if contemplating the purchase of any furniture, fixtures and equipment that is subject to a registered security interest, it clearly identifies the portion of the Purchase Price that is allocable to such furniture, fixtures and equipment;
- (d) it includes a letter stating that its Binding Offer is irrevocable until the earlier of: (i) the approval of a Successful Bid (as defined herein) by the Court in accordance with these Procedures; and (ii) thirty (30) calendar days following the Binding Offer Deadline, provided that if such Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
- (e) it includes written evidence of a firm irrevocable commitment for all required financing, or other evidence of the financial ability of such Qualified Bidder (including, for greater certainty, such Qualified Bidder's designated purchaser(s), if any) to consummate the proposed transaction, that will allow the Advisor to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction contemplated by its bid;
- (f) it is not conditioned on: (i) the outcome of unperformed due diligence; and/or (ii) obtaining financing;
- (g) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents, information and/or the Property to be acquired and liabilities to be assumed in making its bid; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Property

to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly provided in a Definitive Agreement; and (iii) the transaction will be completed on an “as is, where is” basis;

- (h) it includes evidence, in form and substance reasonably satisfactory to the Advisor, of authorization and approval from the Qualified Bidder’s board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Binding Offer, and identifies any anticipated shareholder, regulatory or other approvals outstanding, and the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (i) the Binding Offer includes an executed Definitive Agreement, including all exhibits and schedules contemplated thereby (other than exhibits and schedules that by their nature must be prepared by the Advisor), together with a blackline against the draft form of Definitive Agreement which will be prepared by the Advisor and posted in the Data Room;
- (j) it does not include any request for or entitlement to any break or termination fee, expense reimbursement or similar type of payment;
- (k) it contains such other information as may reasonably be requested by the Advisor; and
- (l) it is received by the Binding Offer Deadline.

15. The Advisor, in consultation with Peavey Group, the Monitor and the Administrative Agent, will assess the Binding Offers received by the Binding Offer Deadline and determine which of such bids constitute Qualified Binding Offers. The Advisor may, in consultation with the Monitor, waive compliance with any one or more of the requirements specified herein and deem such non-compliant bids to be Qualified Binding Offers. The Advisor may, where it considers appropriate in its discretion, continue negotiations with one or more Qualified Bidders to agree on terms of the Successful Bid.

16. The Advisor may, in consultation with Peavey Group, the Monitor, and the Administrative Agent, reject any Binding Offers if it determines that such bid does not constitute a Qualified Binding Offer, is otherwise inadequate or insufficient, or is otherwise contrary to the best interests of the estates of Peavey Group, or any of its creditors or other stakeholders.

17. The Advisor, in consultation with Peavey Group, the Monitor, and the Administrative Agent, shall select the winning bid or bids (collectively, the “**Successful Bid**”, and the corresponding bidder(s), collectively, the “**Successful Bidder**”).

18. The Advisor will notify Qualified Bidders if not selected as the Successful Bidder.

Court Approval

19. Peavey Group shall apply to the Court (the “**Approval Application**”) for an order approving the Successful Bid(s) and authorizing Peavey Group to enter into any and all necessary agreements with respect to the Successful Bid(s), as well as an order vesting title to the Property in the name of the Successful Bidder(s).

20. The Approval Application will be held on a date to be scheduled by the Court upon application by Peavey Group. The Approval Application may be adjourned or rescheduled by Peavey Group, in its sole discretion, without further notice.

21. All Qualified Binding Offers (other than a Successful Bid) shall be deemed rejected on and as of the date of approval of the Successful Bid by the Court.

“As Is, Where Is”

22. Any sale of the Property will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Advisor, Peavey Group or the Monitor, or any of their respective affiliates, advisors, agents or representatives, except to the extent otherwise provided under a Definitive Agreement with a Successful Bidder executed and delivered by the Peavey Group. Neither the Advisor, the Monitor or Peavey Group, nor any of its respective affiliates, advisors, agents or representatives make any representation or warranty as to the accuracy or completeness of any information furnished pursuant to these Procedures, including, without limitation, information contained in the Teaser Letter or in the Data Room, except to the extent otherwise provided under a Definitive Agreement with a Successful Bidder executed and delivered by Peavey Group.

Free Of Any and All Claims and Interests

23. In the event of a sale of Property, to the extent permitted by law and the Court, all of the rights, title and interests of Peavey Group 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 on or against the Property (collectively, the “**Claims and Interests**”). Such Claims and Interests shall attach only to the net proceeds of the sale of such Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in a Definitive Agreement with a Successful Bidder and as permitted by applicable law.

No Obligation to Conclude a Transaction

24. Peavey Group has no obligation to agree to conclude a sale or investment arising out of this Sales Process, and it reserves the right and unfettered discretion to reject any offer or other proposal made in connection with this Sales Process. In addition, at any time during this Sales Process, the Advisor, in consultation with the Monitor and Peavey Group, may determine to amend, modify or terminate these Procedures in whole or in part in respect of all or a part of the Property, and shall provide notice of such a decision to all Qualified Bidders, as applicable.

Further Orders

25. At any time during this Sales Process, Peavey Group or the Monitor may apply to the Court for advice and directions with respect to the discharge of the Advisor’s powers and duties hereunder.

Exhibit "A"

Contact information for the Advisor is as follows:

peaveyrealestate@gordonbrothers.com
1-888-959-4661

Michael Burden
Co-Head, North American Real Estate Services
mburden@gordonbrothers.com
Gordon Brothers - <https://realestateassets.gordonbrothers.com/>
office +1.812.220.2111 | *cell* +1.914.325.4157
