

## SALE SOLICITATION PROCESS

### Introduction

By Order of the Honourable Justice Loo of the Supreme Court of British Columbia (the “**BC Court**”) dated November 6, 2024 (the “**Receivership Order**”), FTI Consulting Canada Inc. was appointed receiver and manager (in such capacity, the “**Receiver**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended, without security, of all the assets, undertakings and property (the “**Property**”) of Rokstad Holdings Corporation, Rokstad Power (2018) Ltd., Rokstad Power Construction Services Ltd., Rokstad Power Transmission Services Ltd., Rokstad Power (Prairies) Ltd., Golden Ears Painting and Sandblasting (2018) Ltd., Plowe Power Systems (2018) Ltd., Rokstad Power (East), Inc., Rokstad Power Inc., and Rok Air, LLC (together, the “**Debtors**”).

The Receivership Order was recognized on an interim basis by the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) by Order granted November 22, 2024 and the terms of the Receivership Order were given full force and effect in the United States.

On December 13, 2024, the BC Court granted an Order (the “**SSP Approval Order**”) approving the sale solicitation procedures set forth herein (the “**SSP Procedures**”) together with an asset purchase agreement between Stellex Power Line OPCO LLC and 1501841 B.C. Ltd. (together, the “**Stalking Horse Bidder**”) and the Receiver, dated December 5, 2024 (the “**Stalking Horse APA**”) and the transactions outlined therein, the “**Stalking Horse Bid**”), defining the terms of a bid by the Stalking Horse Bidder to purchase the Purchased Intellectual Property Assets and the Purchased Assets (as each are defined in the Stalking Horse APA) (together, the “**Purchased Assets**”) and to assume the Assumed Liabilities (as defined in the Stalking Horse APA), for the Purchase Price (as defined below), subject to certain conditions and other terms defined therein. The SSP Approval Order and these SSP Procedures shall exclusively govern the process (the “**Sale Process**”) for soliciting and selecting bids for the sale of all or substantially all of the Property of the Debtors.

Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Stalking Horse APA.

### Stalking Horse APA

The Stalking Horse APA has been approved as the stalking horse bid under paragraph 6 of the SSP Approval Order.

### SSP Procedures

These SSP Procedures describe, among other things, the Property and Business available for sale, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and Business, the manner in which bidders and bids become Qualified Bidders and Qualified Bids, respectively, the receipt and negotiation of bids received, the ultimate selection of one or more Successful Bids, and the approval thereof by the BC Court.

The Receiver shall administer the SSP Procedure. In the event that there is disagreement as to the interpretation or application of this SSP Procedure, the BC Court will have jurisdiction to hear and resolve such dispute.

The Receiver will use reasonable efforts to complete the SSP Procedures in accordance with the timelines set out herein. The Receiver shall be permitted to make such adjustments to the timeline that it determines are reasonably necessary in consultation with the Stalking Horse Bidder; provided, however, that any such adjustments shall not modify the Stalking Horse APA without the Stalking Horse Bidder's consent.

### **Opportunity**

The SSP Procedures are intended to solicit interest in, and opportunities for, a sale of all, or substantially all, of the Property and/or the Business of the Debtors (each, a "Sale").

The Receiver has entered into the Stalking Horse APA which constitutes a Qualified Bid for all purposes and at all times under the SSP Procedures. The "Purchase Price" for the Purchased Assets under the Stalking Horse APA, exclusive of all applicable Transfer Taxes, is comprised of the aggregate of the following: (i) a credit bid of (A) all outstanding Indebtedness under the Receiver's Certificate(s), including all principal, interest, and expenses incurred or accrued in connection therewith, and (B) CAD\$45,000,000 (or the US Dollar equivalent) of the Secured Obligations owed to the Stalking Horse Bidder and/or, at the election of the Stalking Horse Bidder, a payment of immediately available funds by the Stalking Horse Bidder in an amount of cash equal to the dollar value of the credit bid, in whole or in part, if any; (ii) a cash payment in an amount equal to any valid statutory claims or portions thereof that are determined to rank in priority to the Secured Obligations, if any; and (iii) the assumption of all Assumed Liabilities (collectively, the "Purchase Price").

Notwithstanding the Stalking Horse APA, all interested parties are encouraged to submit Qualified Bids based on any configuration of the Property and/or the Business they wish. As discussed further below, a "Qualified Bid" under these SSP Procedures may be comprised either of: (i) an *en bloc* bid for all or substantially all of the Property and/or Business, or (ii) a bid for either the Assets/Business of the Debtors in Canada or for the Assets/Business of the Debtors in the United States, and which meet the requirements for a "Qualified Bid" under these SSP Procedures.

### **Sale Process Timeline**

The Receiver currently anticipates that the Sale Process will proceed on the following milestones:

<b>Milestone</b>	<b>Day</b>
Send Teaser Letter and Advertise SSP Procedures	December 13, 2024
Due Diligence Period (NDAs signed and access to VDR granted)	Up to and including January 10, 2025
Qualified Bid Deadline	January 10, 2025 at 4:00 p.m. PT

<b>Milestone</b>	<b>Day</b>
Auction (if applicable)	January 14, 2025
Approval and Vesting Order(s) from BC Court	January 17, 2025
Recognition Order of AVO from U.S. Court	January 31, 2025
Outside Date	February 10, 2025

**“As Is, Where Is”**

The sale of the Property and/or Business will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Receiver or any of its agents, except to the extent set forth in the relevant final sale agreement with a Successful Bidder.

**Free of Any and All Claims and Interests**

In the event of a Sale, all of the right, title and interest of the Debtors in and to all Property and/or Business sold or transferred will, at the time of such sale or transfer, be sold or transferred free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively the "**Claims and Interests**") pursuant to one or more approval and vesting orders made by the BC Court and/or one or more orders issued by the U.S. Court. Contemporaneously with such approval and vesting orders being made, all such Claims and Interests shall attach 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 the relevant sale agreement with a Successful Bidder.

**Solicitation of Interest**

As soon as reasonably practicable and, in any event, by no later than December 13, 2024, the Receiver will:

- a) cause a notice of the Sale Process contemplated by these SSP Procedures, and such other relevant information which the Receiver considers appropriate, to be published in the National Edition of the Globe & Mail and one or more appropriate publications in the United States; and
- b) prepare a summary describing the opportunity for a Sale, outlining the SSP Procedures and inviting recipients to express their interest in making a Qualified Bid (a "**Teaser Letter**") for distribution to potential bidders.

**Participation Requirements and Due Diligence**

In order to participate in the Sale Process, an interested party must deliver to the Receiver at the address specified herein (including by email), and prior to the distribution of any confidential

information by the Receiver to such interested party (including access to the confidential virtual data room (the “**VDR**”), an executed non-disclosure agreement in form and substance satisfactory to the Receiver (an “**NDA**”), which shall inure to the benefit of any Successful Bidder (as defined below) that closes a transaction contemplated by a Successful Bid (as defined below).

A potential bidder that has executed an NDA, as described above, and who the Receiver, in its sole discretion, determines has a reasonable prospect of completing a Sale contemplated herein, will be deemed a “**Qualified Bidder**” and will be promptly notified of such classification by the Receiver.

The Receiver shall provide any person deemed to be a Qualified Bidder with access to the VDR and the Receiver shall provide to Qualified Bidders further access to such reasonably required due diligence materials and information relating to the Property and Business as the Receiver deems appropriate. The Receiver makes no representation or warranty as to the information to be provided through the due diligence process or otherwise, regardless of whether such information is provided in written, oral or any other form, except to the extent otherwise contemplated under any definitive sale agreement with a Successful Bidder executed and delivered by the Receiver and approved by the BC Court.

### **Submission of Qualified Bids**

A Qualified Bidder that desires to make a bid for some or all of the Property and/or Business must deliver either:

- a) a final, written, binding offer in the form of a fully executed purchase and sale agreement substantially in the form of the template purchase and sale agreement located in the VDR (the “**Template APA**”); or
- b) a signed letter confirming that the Qualified Bidder wishes to assume and perform the obligations of the Stalking Horse Bidder under the Stalking Horse APA, subject to the necessary adjustment to the Purchase Price to provide the equivalent amount in all cash consideration, plus the Expense Reimbursement (as defined below) and the Minimum Incremental Overbid (as defined below), and detailing any adjustments, revisions or other terms that the Qualified Bidder proposes be included in the Stalking Horse APA (a “**Confirmation of Assumption**”),

in each case to the Receiver at the address specified herein (including by email transmission) so as to be received by the Receiver not later than 4:00 p.m. PT on January 10, 2025, or such later date as may be agreed by the Receiver and communicated in writing to all Qualified Bidders (the “**Qualified Bid Deadline**”).

### **Requirements for Qualified Bid**

A bid will only be considered a Qualified Bid if it is submitted by a Qualified Bidder and complies with the following conditions (each, a “**Qualified Bid**”):

- a) it has been received by the Qualified Bid Deadline;
- b) it contains

- a. a duly executed purchase and sale agreement substantially in the form of the Template APA and a blackline of the executed purchase and sale agreement to the Template APA; or
- b. a Confirmation of Assumption compliant with the requirements above;
- c) it includes a letter stating that the Qualified Bid is irrevocable until there is a Successful Bid (as defined below), provided that if such Qualified Bidder is selected as the Successful Bidder, its Qualified Bid shall remain an irrevocable offer until the earlier of (i) the completion of the sale to the Successful Bidder and (ii) the Outside Date;
- d) it provides written evidence, satisfactory to the Receiver, of an all cash bid including (a) a firm, irrevocable financial commitment for all required funding or financing or (b) evidence of the Qualified Bidder's financial wherewithal to close the bid using unencumbered funds on hand;
- e) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- f) any conditions to closing or required approvals including any agreements or approvals with unions, regulators or other stakeholders, the anticipated time frame and any anticipated impediments for obtaining such approvals are set forth in detail, such that the Receiver can assess the risk to closing associated with any such conditions or approvals;
- g) it fully discloses the identity of each entity that will be entering into the transaction or the financing (including through the issuance of equity and/or debt in connection with such Qualified Bid) or that is sponsoring, participating or benefiting from such Qualified Bid, and such disclosure shall include, without limitation (i) in the case of a Qualified Bidder formed for the purposes of entering into the proposed transaction, the identity of each of the actual or proposed direct or indirect equity holders of such Qualified Bidder and the terms and participation percentage of such equity holder's interest in such Bid; and (ii) the identity of each entity that has or will receive a benefit from such Qualified Bid from or through the Qualified Bidder or any of its equity holders and the terms of such benefit;
- h) the Bid provides for closing of the transaction contemplated therein on or before the Outside Date;
- i) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer to a bank account specified by the Receiver, or such other form of payment acceptable to the Receiver, payable to the order of the Receiver, in trust, in an amount equal to 10% of the total consideration in the Qualified Bid to be held and dealt with in accordance with these SSP Procedures;
- j) it is not conditional upon:
  - a. the outcome of unperformed due diligence by the Qualified Bidder, and/or
  - b. obtaining financing; and

- k) 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 and/or the assets to be acquired and liabilities to be assumed in making its Qualified 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 assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, including by the Receiver, or any of its advisors, except as expressly stated in the purchase and sale agreement submitted by it; (iii) is a sophisticated party capable of making its own assessments in respect of making its Qualified Bid; and (iv) has had the benefit of independent legal advice in connection with its Qualified Bid;
- l) it contains evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body), if applicable: and
- m) if:
  - a. it is an *en bloc* bid, the aggregate consideration, as calculated and determined by the Receiver, to be paid in cash by the Qualified Bidder under the Qualified Bid exceeds the aggregate of the Purchase Price under the Stalking Horse APA, plus the Expense Reimbursement and plus US\$500,000 (the “**Minimum Incremental Overbid**”); or
  - b. it is a bid for the sale of either the Assets/Business of the Debtors in Canada, for the Assets/Business of the Debtors in the United States, or for the sale of some other subset of the Assets/Business of the Debtors (each, a “**Lot Bid**”), which meets the requirements of section 8.01 of the Stalking Horse APA.

The Stalking Horse Bidders shall be deemed to be a Qualified Bidder entitled to credit bid the outstanding Indebtedness under the Receiver(s) Certificates and the Secured Obligations, and the Stalking Horse APA shall be deemed to be a Qualified Bid for all purposes of these SSP Procedures. No deposit is required in connection with the Stalking Horse APA.

The Receiver may, in its reasonable discretion, waive compliance with any one or more of the Qualified Bid requirements specified herein, and deem such non-compliant bid to be a Qualified Bid in accordance with these SSP Procedures.

### **Evaluation of Qualified Bids and Subsequent Actions**

Following the Qualified Bid Deadline, the Receiver will review the Qualified Bids. In performing such review and assessment, the Receiver may evaluate the following non-exhaustive list of considerations: (a) the purchase price and net value (including assumed liabilities and other obligations to be performed by the Qualified Bidder); (b) the firm, irrevocable commitment for financing of the transaction; (c) the claims likely to be created by such Qualified Bid in relation to other Qualified Bids; (d) the counterparties to the transaction; (e) the terms of transaction documents; (f) the closing conditions and other factors affecting the speed, certainty and value of the transaction; (g) planned treatment of stakeholders, including employees; (h) the assets included or excluded from the Qualified Bid; (i) any restructuring costs that would arise from the Qualified

Bid; (j) the likelihood and timing of consummating the transaction; (k) the capital sufficient to implement post-closing measures and transactions; and (l) any other factors that the Receiver may deem relevant in their sole discretion.

Following evaluation of the Qualified Bids, the Receiver may undertake one or more of the following steps:

- a) accept one of the Qualified Bids, including without limitation, the Stalking Horse Bid (the "**Successful Bid**", and the offeror making such Successful Bid, the "**Successful Bidder**") and take such steps as may be necessary to finalize definitive transaction documents for the Successful Bid with the Successful Bidder;
- b) continue negotiations with Qualified Bidders who have submitted Qualified Bids with a view to finalizing acceptable terms with one or more Qualified Bidders that submitted Qualified Bids;
- c) terminate the SSP without consummating a transaction; or
- d) schedule an auction with all Qualified Bidders that submitted Qualified Bids to determine the Successful Bid in accordance with auction procedures determined by the Receiver, which procedures shall be provided to all Qualified Bidders that submitted Qualified Bids prior to the auction (the "**Auction**").

For greater certainty, no Lot Bid can be accepted as a Successful Bid by the Receiver without the prior consent of the Stalking Horse Bidder in accordance with the terms of the Stalking Horse APA. Any Lot Bid received by the Receiver shall be presented to the Stalking Horse Bidder so that they may determine whether to consent to the Receiver proceeding with the consummation of the Lot Bid as a Successful Bid and confirm the corresponding changes required to the Stalking Horse APA to reflect removal of the Purchased Assets and Assumed Liabilities subject to the Lot Bid.

If no Qualified Bids are received by the Qualified Bid Deadline (or at least one additional Qualified Bid was received but it is not likely that the transactions contemplated in any such Qualified Bid will be consummated), the Receiver shall (i) forthwith terminate these SSP Procedures, (ii) notify each Qualified Bidder that these SSP Procedures have been terminated, (iii) notify the Stalking Horse Bidder that they are the Successful Bidder, and (iv) as soon as reasonably practicable after such termination, file an application with the BC Court seeking approval, after notice and hearing, to implement the Stalking Horse APA.

### **Approval of Successful Bid**

The Receiver shall apply:

- a) to the BC Court (the "**Approval Application**") for one or more order(s) approving the Successful Bid(s) and vesting title to any of the Property and/or Business in the name of the Successful Bidder(s) (the "**BC Approval and Vesting Order**"). The Approval Application will be held on a date to be scheduled by the Receiver and confirmed by the BC Court; and

- b) to the U.S. Court for one or more order(s) recognizing the BC Approval and Vesting Order(s), vesting title to any of the Property and/or business in the United States in the name of the Successful Bidder(s), and such further and other relief as may be necessary to give effect to the BC Approval and Vesting Orders in the United States.

The Receiver shall consult with the Successful Bidder regarding the application material to be filed by the Receiver for the Approval Application, which material shall be acceptable to the Successful Bidder, acting reasonably.

### **Deposits**

All Deposits shall be retained by the Receiver in a bank account specified by the Receiver. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Application shall be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable.

All Deposits of all Qualified Bidders not selected as the Successful Bidder shall be returned to such bidders within five (5) business days of the date upon which the Successful Bid is approved by the BC Court. If the Auction does not take place or these SSP Procedures are terminated in accordance with the provisions hereof, all Deposits shall be returned to the Qualified Bidders within five (5) business days of the date upon which it is determined that the Auction will not take place or these SSP Procedures are terminated, as applicable.

If an entity selected as the Successful Bidder breaches its obligations to close the applicable transaction, it shall forfeit its Deposit to the Receiver; provided however that the forfeiture of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Receiver has against such breaching entity.

### **Approvals**

For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by any other statute or are otherwise required at law in order to implement a Successful Bid.

### **Notice**

The addresses used for delivering documents to the Receiver as required by the terms and conditions of these SSP Procedures are set out below. A bid and all associated documentation shall be delivered to the Receiver by electronic mail, personal delivery or courier.

To the Receiver:

FTI Consulting Canada Inc.  
701 W Georgia St Suite 1450  
Vancouver, BC V7Y 1B6

Attention: Tom Powell / Craig Munro  
Tel. No.: 604.484.9585  
Email: [tom.powell@fticonsulting.com](mailto:tom.powell@fticonsulting.com) / [Craig.Munro@fticonsulting.com](mailto:Craig.Munro@fticonsulting.com)



with a copy to:

Osler, Hoskin & Harcourt LLP  
Bentall Four  
1055 Dunsmuir St Suite 3000  
Vancouver, BC V7X 1K8

Attention: Mary Buttery, K.C. / Emily Paplawski  
Tel. No.: 604.692.2752 / 403.260.7071  
Email: [mbuttery@osler.com](mailto:mbuttery@osler.com) / [epaplawski@osler.com](mailto:epaplawski@osler.com)

### **Reservation of Rights**

The Receiver: (a) may reject, at any time any bid (other than the Stalking Horse Bid) that is (i) inadequate or insufficient, or (ii) not in conformity with the requirements of these SSP Procedures or any orders of the BC Court applicable to the Debtors; (b) in accordance with the terms hereof, may impose additional terms and conditions and otherwise seek to modify the SSP Procedures at any time in order to maximize the results obtained; and (c) in accordance with the terms hereof, may accept bids not in conformity with these SSP Procedures to the extent that the Receiver determines, in its reasonable business judgment, that doing so would benefit the Debtors' estates and their stakeholders, provided that such actions do not compromise or delay the ability of the Stalking Horse APA to close (if deemed the Successful Bid) without the Stalking Horse Bidder's prior written consent.

The Receiver may, in its reasonable discretion, and in consultation with the Stalking Horse Bidder, extend the Qualified Bid Deadline, the Outside Date, the date for the hearing of the Approval Application, and/or any other milestone date listed in these SSP Procedures, in each case on notice to affected persons; provided, however, that any such changes shall not modify the Stalking Horse APA without the Stalking Horse Bidder's consent.

Prior to the conclusion of the Auction, the Receiver may impose such other terms and conditions, on notice to the relevant Auction Bidders, as the Receiver may determine to be in the best interests of the Debtors' estate and their stakeholders that are not inconsistent with any of the procedures in these SSP Procedures; provided, however, that any such changes shall not modify the Stalking Horse APA without the Stalking Horse Bidder's consent.

These SSP Procedures do not, and shall not be interpreted to, create any contractual or other legal relationship between the Receiver and any potential bidder, Qualified Bidder or Successful Bidder, other than as specifically set forth in definitive documentation that may be executed by the Receiver.

### **No Amendment**

There shall be no amendments to these SSP Procedures without the prior written consent of the Receiver and the Stalking Horse Bidder, or further order of the BC Court obtained on reasonable notice to the Receiver.

**Further Orders**

At any time during the Sale Process, the Receiver may apply to the BC Court for advice and directions with respect to the discharge of its powers and duties hereunder.