



Court File No. CV-24-00730212-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) THURSDAY, THE 19TH
)
JUSTICE KIMMEL) DAY OF DECEMBER, 2024

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF CHESSWOOD GROUP LIMITED, CASE FUNDING INC., CHESSWOOD
HOLDINGS LTD., CHESSWOOD US ACQUISITIONCO LTD., PAWNEE
LEASING CORPORATION, LEASE-WIN LIMITED, WINDSET CAPITAL
CORPORATION, TANDEM FINANCE, INC., CHESSWOOD CAPITAL
MANAGEMENT INC., CHESSWOOD CAPITAL MANAGEMENT USA INC.,
RIFCO NATIONAL AUTO FINANCE CORPORATION, RIFCO INC.,
WAYPOINT INVESTMENT PARTNERS INC. and 1000390232 ONTARIO INC.

SISP APPROVAL ORDER

THIS MOTION, made by FTI Consulting Canada Inc., in its capacity as monitor (the “**Monitor**”) of Chesswood Group Limited, Case Funding Inc., Chesswood Holdings Ltd., Chesswood US Acquisitionco Ltd., Pawnee Leasing Corporation, Lease-Win Limited, Windset Capital Corporation, Tandem Finance, Inc., Chesswood Capital Management Inc., Chesswood Capital Management USA Inc., Rifco National Auto Finance Corporation, Rifco Inc., Waypoint Investment Partners Inc. and 1000390232 Ontario Inc. (collectively, the “**CCAA Parties**” and each a “**CCAA Party**”) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an order, *inter alia*, approving the Bidding Procedures for the Sale and Investment Solicitation Process in respect of the CCAA Parties (other than Rifco National Auto Finance Corporation and Rifco Inc.) attached hereto as **Schedule “A”** (the “**SISP**”) and certain related relief, was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the Second Report of the Monitor (the “**Second Report**”) dated December 14, 2024, and on hearing the submissions of counsel for the CCAA Parties, the Monitor, and such other counsel who were present, no one else appearing although duly served as appears from the affidavits of service of Tiffany Dang affirmed December 14, 2024, and December 18, 2024, and of Jennifer Inkster sworn December 17, 2024:

DEFINITIONS

1. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the SISP, the Amended and Restated Initial Order of this Court dated November 7, 2024 (the “**ARIO**”) or the Second Report, as applicable.

SERVICE

2. **THIS COURT ORDERS** that the time for and method of service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

SALES AND INVESTMENT SOLICITATION PROCESS

3. **THIS COURT ORDERS** that the SISP is hereby approved and the CCAA Parties and Monitor (including through its affiliates) are hereby authorized and directed to implement the SISP pursuant to the terms thereof and to perform their respective obligations and to do all things reasonably necessary or desirable to carry out the SISP.

4. **THIS COURT ORDERS** that the Monitor and the CCAA Parties, and their respective affiliates, partners, directors, employees, agents and controlling persons (collectively, “**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 or performing their duties thereunder, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or wilful misconduct of a CCAA Party, the Monitor or their Agents, as applicable, in performing their obligations under the SISP, as determined by this Court.

PIPEDA

5. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Monitor, the CCAA Parties and their respective advisors are hereby authorized and permitted to disclose and transfer to prospective SISP participants (each, a “**SISP Participant**”) and their advisors personal information of identifiable individuals but only to the extent desirable or required to negotiate or attempt to complete a transaction pursuant to the SISP (a “**Transaction**”). Each SISP Participant and advisor 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 for the purpose of effecting a Transaction, and if it does not complete a Transaction, shall return all such information to the Monitor or the CCAA Parties, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Monitor or the CCAA Parties. Any Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the CCAA Parties, and shall return all other personal information to the Monitor or the CCAA

Parties, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Monitor or the CCAA Parties.

GENERAL

6. **THIS COURT ORDERS** that that this Order shall have full force and effect in all provinces and territories in Canada.

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, including the United States Bankruptcy Court for the District of Delaware overseeing the CCAA Parties' proceedings under Chapter 15 of the Bankruptcy Code in Case No. 24-12454 (CTG), to give effect to this Order and to assist the CCAA Parties, the Foreign Representative, 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 CCAA Parties, the Foreign Representative and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the CCAA Parties, the Foreign Representative and the Monitor and their respective agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that the CCAA Parties and the Monitor are each at liberty and are each 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.

9. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. prevailing Eastern Time on the date of this Order without the need for entry or filing.

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Schedule "A"

Bidding Procedures for the Sale and Investment Solicitation Process

On October 29, 2024, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made an Order (as amended and restated on November 7, 2024, and as may be further amended and/or restated, the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") in respect of Chesswood Group Limited ("**Chesswood**"), Rifco National Auto Finance Corporation and Rifco Inc. (together, "**Rifco**"), Case Funding Inc., Chesswood Holdings Ltd., Chesswood US Acquisitionco Ltd., Pawnee Leasing Corporation, Lease-Win Limited, Windset Capital Corporation, Tandem Finance, Inc., Chesswood Capital Management Inc., Chesswood Capital Management USA Inc., Waypoint Investment Partners Inc. and 1000390232 Ontario Inc. (collectively, the "**CCAA Parties**"), and the proceedings commenced pursuant to the Initial Order, the "**CCAA Proceedings**").

Pursuant to the Initial Order, among other things, FTI Consulting Canada Inc. was appointed as monitor of the CCAA Parties (in such capacity, the "**Monitor**"), and Chesswood was authorized to borrow under a DIP financing principal terms sheet dated October 29, 2024 (the "**DIP Term Sheet**") between, among others, the CCAA Parties, Royal Bank of Canada, in its capacity as administrative agent and collateral agent (in such capacity, the "**DIP Agent**"), and the lenders party thereto (collectively, the "**DIP Lenders**").

In connection with the CCAA Proceedings, the CCAA Parties, other than Rifco, are pursuing a sale and investment solicitation process as set out herein ("**SISP**") for their assets (the "**Property**") and business operations (the "**Business**"). For the purposes of the SISP and the bidding procedures ("**Bidding Procedures**") set out in this Schedule, all references to the CCAA Parties shall exclude Rifco, which is subject to a separate sale transaction with respect to which Court approval is being sought as part of the CCAA Proceedings.

Defined Terms

1. Capitalized terms used in the Bidding Procedures and not otherwise defined herein have the meanings given to them in Appendix "A".

Bidding Procedures

Opportunity

2. The SISP is intended to solicit interest in, and opportunities for: (i) one or more sales or partial sales of all, substantially all, or certain portions of the Property or the Business; and/or (ii) an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the CCAA Parties or their Business, or any combination thereof (the "**Opportunity**").
3. Interested parties are encouraged to submit bids based on any form of Opportunity that they may elect to advance pursuant to the SISP, including as a Sale Proposal or an Investment Proposal.
4. The Bidding Procedures describe the manner in which prospective bidders may gain access to due diligence materials concerning the CCAA Parties and the Business, the manner in which bidders may participate in the SISP, the requirement of and the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder and the requisite approvals to be sought from the Court in connection therewith.

The Monitor, with the prior written consent of the DIP Lenders, acting reasonably, may at any time and from time to time, (i) modify, amend, vary or supplement ("**Modification**") the Bidding Procedures and (ii) extend the Bid Deadline, in each case without the need to obtain an order of the Court but with written notice to all Potential Bidders, if, in its reasonable business judgment, such Modification will enhance the process or better achieve the objectives of the SISP. The service list in these CCAA Proceedings shall be advised of any substantive Modification to the Bidding Procedures.

5. At any time prior to the Bid Deadline, the Monitor may, with the prior written consent of the DIP Lenders, designate one or more persons to act as stalking horse bidder(s) (any such party, a "**Stalking Horse Bidder**") and enter into a definitive agreement (any such agreement, a "**Stalking Horse Agreement**") in respect of a Sale Proposal or Investment Proposal with a Stalking Horse Bidder, subject to obtaining Court approval of any such Stalking Horse Agreement and corresponding modifications to the SISP and extension to the Bid Deadline, and the consent of the DIP Lenders. If any Stalking Horse Agreement is approved by the Court, the CCAA Parties or Monitor will provide written notice of same, including any such modification, amendment, variation or supplement to the Bidding Procedures to all Potential Bidders impacted by such modifications, amendments, variations or supplements and the Monitor will post same on the Monitor's website, in each case as soon as practicable.
6. In the event of a dispute as to the interpretation or application of the Bidding Procedures, the Court will have exclusive jurisdiction to hear and resolve such dispute.
7. A summary of the key dates pursuant to the SISP is as follows (as may be modified in accordance with the terms hereof):

Event	Timing
<p>1. Preparation</p> <p>CCAA Parties to assemble due diligence information and set up VDR</p> <p>Monitor to prepare a Teaser Letter and NDA and distribute to potentially interested parties, as determined by the Monitor</p>	<p>No later than five (5) days after Court approval of the SISP.</p>
<p>2. Notice</p> <p>CCAA Parties to issue a press release regarding the Opportunity and the Monitor to publish a notice of the SISP on the Monitor's website and other industry trade publications, as determined by the Monitor to be appropriate.</p>	<p>No later than five (5) days after Court approval of the SISP</p>
<p>3. Diligence Phase</p> <p>Potential Bidders provided access to a VDR</p>	<p>In advance of Court approval of the SISP to January 20, 2025</p>

4. Bid Deadline Bid Deadline (for delivery of binding offers by Qualified Bidders in accordance with the requirement of paragraphs 16 and 17 of the Bidding Procedures)	January 20, 2025, at 5:00 p.m. (prevailing Eastern Time)
5. Selection of Successful Bid(s) and Back-Up Bidder(s) or designation of Auction Deadline for selection of Successful Bid(s) and Back-Up Bidder(s) or designation of Auction	January 22, 2025, at 8:00 p.m. (prevailing Eastern Time)
6. Auction Date Auction (if designated by the Monitor in accordance with the Bidding Procedures)	January 24, 2025
7. Definitive Documentation Deadline for completion of definitive documentation in respect of Successful Bid(s)	January 29, 2025 (if no Auction) January 31, 2025 (if Auction)
8. Approval of Successful Bid(s) Deadline for Court approval of Successful Bid(s)	February 12, 2025 (if no Auction) February 14, 2025 (if Auction)
9. Closing – Successful Bid(s) Target Closing Date for closing of Successful Bid(s)	February 26, 2025 (if no Auction) February 28, 2025 (if Auction)
10. Outside Date – Closing Outside Date by which the Successful Bid(s) must close	March 14, 2025

Solicitation of Interest: Notice of the SISP

8. As soon as reasonably practicable, but, in any event, by no later than five (5) days after Court approval of the SISP:
 - a) the Monitor, in consultation with the CCAA Parties, will prepare a list of potential bidders, including (i) parties that have approached the CCAA Parties or the Monitor indicating an interest in the Opportunity, (ii) local and international strategic and financial parties who the Monitor believes may be interested in purchasing all or part of the Business or Property or investing in the CCAA Parties pursuant to the SISP, and (iii) parties that showed an interest in the CCAA Parties and/or their Property or Business prior to the date of Court approval of the SISP, including by way of the CCAA Parties' previous, out-of-court strategic review process, in each case whether or not such party has submitted a letter of intent or similar document (collectively, the "**Known Potential Bidders**");

- b) a notice of the SISP and any other relevant information that the Monitor considers appropriate will be published by the Monitor in one or more trade industry and/or insolvency-related publications as may be considered appropriate by the Monitor, in consultation with the DIP Agent;
 - c) a press release setting out the notice and any other relevant information regarding the Opportunity as the Monitor, in consultation with the CCAA Parties, considers appropriate will be issued by the CCAA Parties with Canada Newswire (or reasonably equivalent distribution platform, in consultation with the DIP Agent) designating dissemination in Canada and the US; and
 - d) the Monitor, in consultation with the CCAA Parties and DIP Agent, will prepare 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 Monitor and its counsel (an "**NDA**").
9. The Monitor will cause the Teaser Letter and NDA to be sent to each Known Potential Bidder no later than five (5) days from the Court approval of the SISP and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.
 10. The CCAA Parties, the Monitor and their respective advisors make no representation or warranty whatsoever (including as to accuracy or completeness) as to the information contained in the Teaser Letter or otherwise made available pursuant to the SISP.

Virtual Data Room

11. A confidential virtual data room (the "**VDR**") in relation to the Opportunity will be made available by the CCAA Parties or by the Monitor to Potential Bidders that have executed an NDA. The VDR will be made available as soon as practicable. The Monitor may establish, or cause the CCAA Parties to establish, separate VDRs (including "clean rooms"), if the Monitor reasonably determines that doing so would further the CCAA Parties' and any Potential Bidders' compliance with applicable laws, including securities, antitrust and competition laws, or would prevent the distribution of proprietary or commercially sensitive information. The Monitor may also limit the access of any Potential Bidder to any confidential information in the VDR where the Monitor may also reasonably determine that such access could negatively impact the SISP, the ability to maintain the confidentiality of the information, the Business or its value.

Qualified Bidders, Delivery of Confidential Information

12. To participate in the SISP, and prior to the distribution of any confidential information to an interested party (including access to the VDR), such interested party must deliver to the Monitor an executed NDA. Pursuant to the terms of the NDA to be signed by a potential bidder (each potential bidder who has executed an NDA with a CCAA Party, a "**Potential Bidder**"), each Potential Bidder will be prohibited from communicating with any other Potential Bidder regarding the Opportunity during the term of the SISP, without the prior written consent of the Monitor.
13. Prior to the CCAA Parties executing an NDA with any potential bidder, any potential bidder

may be required to provide evidence reasonably satisfactory to the Monitor of its financial wherewithal to complete on a timely basis a transaction in respect of the Opportunity (either with existing capital or with capital reasonably anticipated to be raised prior to closing) and/or to disclose details of their ownership and/or investors ("**Supplemental Information**"). For the avoidance of doubt, a person who has executed an NDA or a joinder with a Potential Bidder for the purpose of providing financing to a Potential Bidder in connection with the Opportunity (such person, a "**Financing Party**") will not be deemed to be a Potential Bidder for purposes of the SISP, provided that such Financing Party may elect to act as a Potential Bidder with prior written notice to the Monitor.

14. A Potential Bidder that has (i) executed an NDA, and (ii) provided Supplemental Information that is satisfactory to the Monitor, in consultation with the DIP Agent, will be deemed to be a "**Qualified Bidder**" and will be promptly notified of such classification by the Monitor.
15. The CCAA Parties, the Monitor and their respective advisors make no representation or warranty whatsoever (including as to accuracy or completeness) as to the information contained in the VDR.

Formal Binding Offers

16. Any Qualified Bidder that wishes to make a formal offer with respect to a Sale Proposal or Investment Proposal must submit a binding offer (a "**Binding Offer**", and each Binding Offer submitted in accordance with paragraph 17, below, a "**Qualified Bid**") (a) in the case of a Sale Proposal, in the form of a template agreement of purchase and sale if one is provided in the VDR, along with a marked version showing edits to the original form of the template provided in the VDR; or (b) in the case of an Investment Proposal, a plan or restructuring support agreement in form and substance satisfactory to the Monitor, with the consent of the DIP Lenders, by no later than 5:00 p.m. (prevailing Eastern Time) on January 20, 2025, or such other date or time as may be determined by the Monitor, with the consent of the DIP Agent, acting reasonably (as it may be extended, the "**Bid Deadline**").
17. A Binding Offer will only be considered as a Qualified Bid if the Binding Offer:
 - a) has been received by the Bid Deadline;
 - b) is a Binding Offer: (i) to purchase all, substantially all, or a portion of the Property or the Business; and/or (ii) to make an investment in, restructure, recapitalize or refinance one or more CCAA Parties or its or their Business, on terms and conditions reasonably acceptable to the Monitor and the DIP Lenders;
 - c) identifies all executory contracts of the applicable CCAA Parties that the Qualified Bidder will assume and clearly describes, for each contract or on an aggregate basis, how all monetary defaults and non-monetary defaults will be remedied, as applicable;
 - d) is not subject to any financing condition(s) and provides written evidence, satisfactory to the Monitor, of the ability to consummate the transaction within the timeframe contemplated by the SISP and to satisfy any obligations or liabilities to be assumed on closing of the transaction;
 - e) is unconditional, other than upon the receipt of the Approval Order(s) and

satisfaction of any other conditions expressly set forth in the Binding Offer;

- f) contains or identifies the key terms and provisions to be included in any Approval Order, including whether such order will be a "reverse vesting order";
- g) includes acknowledgments and representations of the Qualified Bidder that it: (i) has had an opportunity to conduct any and all due diligence regarding the Opportunity prior to making its Binding Offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents, the Property and the Business in making its Binding Offer; and (iii) did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Opportunity or the accuracy or completeness of any information provided in connection therewith, other than as expressly set forth in the Binding Offer or other transaction document submitted with the Binding Offer;
- h) (i) identifies the representatives of the Qualified Bidder who are authorized to appear and act on behalf of the Qualified Bidder for all purposes regarding the contemplated transaction, (ii) fully discloses the identity of each entity or person that will be sponsoring, participating in or benefiting from the transaction contemplated by the Binding Offer, and identifies all legal, financial, accounting and other advisors that have been or expect to be retained by the Qualified Bidder in connection with contemplated transaction;
- i) is accompanied by a letter that confirms that the Binding Offer: (i) may be accepted by the CCAA Parties (or Monitor, on their behalf) by countersigning the Binding Offer, and (ii) is irrevocable and capable of acceptance until the earlier of (A) two (2) business days after the date of closing of the Successful Bid; and (B) the Outside Date;
- j) does not provide for any break or termination fee, expense reimbursement or similar type of payment, it being understood and agreed that no bidder will be entitled to any bid protections (unless the Qualified Bidder is designated as the Stalking Horse Bidder and such fees, reimbursement or payments are included in the Stalking Horse Agreement and such agreement is subject to obtaining Court approval);
- k) in the case of a Sale Proposal, includes:
 - i. the specific purchase price in Canadian dollars or, in the case of any CCAA Party that is a U.S. entity, U.S. dollars and a description of any non-cash consideration, including any future royalty payments or other deferred payment, details of any liabilities to be assumed by the Qualified Bidder and key assumptions supporting the valuation; provided that if the purchase price involves a royalty, earn-out or other deferred payment, the Sale Proposal shall include a specific indication of the Qualified Bidder's proposed milestones for a royalty, earn-out or other deferred payment;
 - 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 sources of capital for the Qualified Bidder and the structure and financing of the transaction;

- iv. the proposed treatment of employees; and
 - v. a description of those liabilities and obligations (including operating liabilities) which the Qualified Bidder intends to assume and which such liabilities and obligations it does not intend to assume and are to be excluded as part of the transaction;
- l) in the case of an Investment Proposal, includes:
- i. a description of how the Qualified Bidder proposes to structure the proposed investment, restructuring, recapitalization, refinancing or reorganization, and a description of any non-cash consideration;
 - ii. the aggregate amount of the equity and/or debt investment to be made in the Business or the CCAA Parties in Canadian dollars or, in the case of any CCAA Party that is a U.S. entity, U.S. dollars;
 - iii. the underlying assumptions regarding the pro forma capital structure;
 - iv. a specific indication of the sources of capital for the Qualified Bidder and the structure and financing of the transaction; and
 - v. a description of those liabilities and obligations (including operating liabilities) which the Qualified Bidder intends to assume and which liabilities and obligations it does not intend to assume and are to be excluded as part of the transaction;
- m) is accompanied by a deposit in the amount of not less than 15% of the cash purchase price payable on closing or total new investment contemplated, as the case may be (the "**Deposit**"), along with acknowledgement that (i) if the Qualified Bidder is selected as the Successful Bidder, that the Deposit will be non-refundable and applied against the Purchase Price on closing, subject to approval of the Successful Bid by the Court and the terms described in paragraph 26, below; and (ii) if the Qualified Bidder is selected as the Back-Up Bidder, that the Deposit will be held and dealt with as described in paragraph 26, below; and
- n) contemplates and reasonably demonstrates a capacity to consummate a closing of the transaction set out therein on or before February 26, 2025 (if there is no Auction) or February 28, 2025 (if there is an Auction), or such earlier date as is practical for the parties to close the contemplated transaction, following the satisfaction or waiver of the conditions to closing (the "**Target Closing Date**") and in any event no later than March 15, 2025 (the "**Outside Date**").
18. The Monitor, in consultation with the DIP Agent, may waive compliance with any one or more of the requirements specified above and deem any non-compliant offer or proposal to be a Qualified Bid; provided, however, that the no amendments or extensions to the Target Closing Date or Outside Date shall be effective without the prior written consent of the DIP Lenders.

Selection of Successful Bid

19. The Monitor may, following the receipt of any Binding Offer or Qualified Bid, seek clarification with respect to any of the terms or conditions of such Binding Offer or Qualified

- Bid and/or request and negotiate one or more amendments to such Binding Offer or Qualified Bid prior to determining if the Binding Offer or Qualified Bid should be considered a Successful Bid. The Monitor, in consultation with the DIP Agent, may require that, as a condition to any Binding Offer or Qualified Bid being determined as a Successful Bid or Back-up Bid, that the recognition of an Approval Order in the CCAA Parties' proceedings under chapter 15 of title 11 of the United States Code before U.S. Bankruptcy Court for the District of Delaware be a condition to completion of the transactions contemplated by such Binding Offer.
20. The Monitor will: (a) review and evaluate each Qualified Bid; (b) identify the highest or otherwise best bid (the "**Successful Bid**", and the Qualified Bidder making such Successful Bid, the "**Successful Bidder**"); and (c) identify the next highest or otherwise second best bid (the "**Back-Up Bid**", and the Qualified Bidder making such Back-Up Bid, the "**Back-Up Bidder**"), in each case pursuant to the paragraphs below. Any Successful Bid and Back-Up Bid will be subject to approval by the Court. Notwithstanding the foregoing, the Monitor may identify one or more Successful Bids, Successful Bidders, Back-Up Bids, or Back-Up Bidders for non-overlapping Qualified Bids.
 21. In the event there is more than one Qualified Bid, then, no later than 8:00 p.m. (prevailing Eastern Time) on January 22, 2025, the Monitor, with the consent of the DIP Lenders, may determine the Successful Bid or may determine that the Successful Bid will be identified through an Auction. Any such Auction will be conducted in accordance with procedures to be determined by the Monitor, acting reasonably, and in consultation with the DIP Agent, and notified to the applicable Qualified Bidders no less than 24 hours prior to the commencement of the Auction. Any such Auction will commence at a time to be designated by the Monitor, no later than 3 p.m. (prevailing Eastern Time) on January 24, 2025, or such other date or time as may be determined by the Monitor with the consent of the DIP Agent, acting reasonably, and such Auction may, in the discretion of the Monitor, be held virtually via videoconference, teleconference or such other reasonable means as the Monitor deems appropriate, in consultation with the DIP Agent.
 22. If the Monitor, in consultation with the DIP Agent, does not designate an Auction, the Successful Bid(s) and the Back-Up Bid(s) will be selected by no later than 8:00 p.m. (prevailing Eastern Time) on January 22, 2025, and the completion and execution of definitive documentation in respect of the Successful Bid(s) and the Back-Up Bid(s), as applicable, must be finalized and executed no later than January 29, 2025, or January 31, 2025 if an Auction is designated by the Monitor, in consultation with the DIP Agent, which definitive documentation will be conditional only upon the receipt of the Approval Order(s) and the express conditions set out therein and will provide that the Successful Bidder(s) will use all reasonable efforts to close the proposed transaction by no later than the Target Closing Date, or such longer period as the Monitor may determine, acting reasonably, with the consent of the DIP Lenders. In any event, the Successful Bid(s) must close no later than the Outside Date. If any Back-Up Bid is identified in accordance with this SISP, then such Back-Up Bid shall remain open until the date (the "**Back-Up Bid Outside Date**") on which the transaction contemplated by the respective Successful Bid is consummated or such earlier date as the Monitor, with the consent of the DIP Lenders, determines. If the transactions contemplated by a Successful Bid have not closed by the Outside Date or a Successful Bid is terminated for any reason prior to the Outside Date, then the Monitor may elect, with the consent of the DIP Lenders, to proceed with completing the transactions contemplated by a Back-Up Bid and will promptly seek to close the transaction contemplated by such Back-Up Bid. In such event, the applicable Back-Up Bid will be deemed to be a Successful Bid and the CCAA Parties will be deemed to have accepted the Back-Up Bid upon such election by the Monitor.

23. Notwithstanding the foregoing, the Monitor shall have no obligation to designate a Successful Bid, and may, after consultation with the DIP Agent, reject any or all Qualified Bids.

Approval of Successful Bid

24. The Monitor will bring one or more motions before the Court (each such motion, an "**Approval Motion**") for one or more orders:
- (i) approving the Successful Bid(s) and authorizing the taking of such steps and actions and completing such transactions as are set out therein or required thereby (such order shall also approve the Back-Up Bid(s), if any, should the applicable Successful Bid(s) not close for any reason); and
 - (ii) granting a vesting order and/or reverse vesting order to the extent that such relief is contemplated by the applicable Successful Bid(s) to vest title to any purchased assets in the name of the Successful Bidder(s) and/or vesting unwanted liabilities out of one or more of the CCAA Parties (collectively, the "**Approval Order(s)**").

The Approval Motion(s) will be held on a date to be scheduled by the Monitor and confirmed by the Court. The Monitor, in consultation with the DIP Agent, may adjourn or reschedule any Approval Motion without further notice, by an announcement of the adjourned or rescheduled date at the applicable Approval Motion or in a notice to the service list of the CCAA Proceedings prior to the applicable Approval Motion. The Monitor will consult with the DIP Agent regarding the motion material to be filed for the Approval Motion(s) and provide draft motion material to the DIP Agent's counsel.

25. All Qualified Bids (other than the Successful Bid(s) but including the Back-Up Bid(s)) will be deemed rejected on and as of the date of the closing of the final Successful Bid, with no further or continuing obligation of the CCAA Parties to any unsuccessful Qualified Bidders.

Deposits

26. The Deposit(s):
- a) will, upon receipt from the Qualified Bidder(s), be retained by the Monitor and deposited in a non-interest-bearing trust account;
 - b) received from the Successful Bidder(s) and the Back-Up Bidder(s), if any, will:
 - i. be applied to the purchase price to be paid by the applicable Successful Bidder or Back-Up Bidder whose Successful Bid or Back-Up Bid, as applicable, is the subject of the Approval Order(s), upon closing of the approved transaction(s); and
 - ii. otherwise be held and refundable in accordance with the terms of the definitive documentation in respect of any Successful Bid or Back-Up Bid, as applicable, provided that (a) all such documentation will provide that the Deposit will be fully refunded to the Back-Up Bidder on the Back-Up Bid Outside Date; and (b) all such documentation will provide that the Deposit will be retained by the CCAA Parties and forfeited by a Successful Bidder, if such Successful Bid fails to close by the Outside Date, and such failure is attributable to any failure or omission of the Successful Bidder to fulfil its obligations under the terms of the applicable Successful Bid;

- c) received from the Qualified Bidder(s) that are not a Successful Bid or Back-Up Bidder will be fully refunded, to the Qualified Bidder(s) that paid the Deposit(s) as soon as practical following the selection of the Successful Bid(s).

"As is, Where is"

27. Any sale (or sales) of the Property or the Business will be on an "as is, where is" basis except for representations and warranties that are customarily provided in purchase agreements for a company subject to CCAA proceedings. Any such representations and warranties provided for in the definitive documents will not survive closing. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into with the CCAA Parties (or any of them).

Free of Any and All Claims and Interests

28. In the event of a sale, to the extent permitted by law, all of the rights, title and interests of the CCAA Parties in and to the Property or the Business to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, restrictions, and interests thereon and there against (collectively, the "**Claims and Interests**") pursuant to section 36(6) of the CCAA, such Claims and Interests to attach to the net proceeds of the sale of such Property or Business (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 transaction documents with a Successful Bidder and the Approval Order(s).

Confidentiality

29. All discussions regarding a Sale Proposal or Investment Proposal should be directed through the Monitor. Under no circumstances should the management of the CCAA Parties or any stakeholder of the CCAA Parties be contacted directly without the prior consent of the Monitor. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP. For greater certainty, nothing herein shall preclude a stakeholder from contacting potential bidders with the agreement of the Monitor to advise that the SISP has been commenced in respect of the CCAA Parties and that such potential bidder should contact the Monitor if it has an interest in the Property or Business.
30. If it is determined by the Monitor, that it would be worthwhile to facilitate a discussion between a Qualified Bidder and a stakeholder or other third party as a consequence of a condition to closing or potential closing conditions identified by such Qualified Bidder, the Monitor may provide such Qualified Bidder with the opportunity to meet with the relevant stakeholder or third party to discuss such condition or potential condition, with a view to enabling such Qualified Bidder to seek to satisfy the condition or assess whether the condition is not required or can be waived. Any such meetings or other form of communication will take place on terms and conditions considered appropriate by the Monitor. The Monitor must be provided with the opportunity to be present at all such communications or meetings.

Further Orders

31. At any time during the SISP, the Monitor or any other person may apply to the Court for advice and directions with respect to any aspect of this SISP including, but not limited to,

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the continuation of the SISP or with respect to the discharge of its powers and duties hereunder.

APPENDIX A

DEFINED TERMS

"**Approval Motion**" has the meaning given to it in paragraph 24.

"**Approval Order(s)**" has the meaning given to it in paragraph 24.

"**Auction**" means an auction designated by the Monitor with the consent of the DIP Lenders.

"**Back-Up Bid**" has the meaning given to it in paragraph 20.

"**Back-Up Bid Outside Date**" has the meaning given to it in paragraph 22.

"**Back-Up Bidder**" has the meaning given to it in paragraph 20.

"**Bid Deadline**" has the meaning given to it in paragraph 13.

"**Bidding Procedures**" has the meaning given to it in paragraph 1.

"**Binding Offer**" has the meaning given to it in paragraph 16.

"**Business**" has the meaning given to it in the preamble.

"**Business Day**" means a day on which banks are open for business in Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

"**CCAA**" has the meaning given to it in the preamble.

"**CCAA Parties**" has the meaning given to it in the preamble.

"**CCAA Proceedings**" has the meaning given to it in the preamble.

"**Chesswood**" has the meaning given to it in the preamble.

"**Claims and Interests**" has the meaning given to it in paragraph 28.

"**Court**" has the meaning given to it in the preamble.

"**Deposit**" has the meaning given to it in paragraph 17.m).

"**DIP Agent**" has the meaning given to it in the preamble.

"**DIP Lenders**" has the meaning given to it in the preamble.

"**DIP Term Sheet**" has the meaning given to it in the preamble.

"**Initial Order**" has the meaning given to it in the preamble.

"**Investment Proposal**" means an offer or proposal offering to make an investment in, restructure, recapitalize or refinance one or more of the CCAA Parties or the Business.

"**Known Potential Bidders**" has the meaning given to it in paragraph 8.a).

"**Monitor**" has the meaning given to it in the preamble.

"**NDA**" has the meaning given to it in paragraph 8.d).

"**Opportunity**" has the meaning given to it in paragraph 2.

"**Outside Date**" has the meaning given to it in paragraph 17.n).

"**Potential Bidder**" has the meaning given to it in paragraph 12.

"**Property**" has the meaning given to it in the preamble.

"**Qualified Bid**" has the meaning given to it in paragraph 16.

"**Qualified Bidder**" has the meaning given to it in paragraph 14.

"**Sale Proposal**" means an offer or proposal seeking to acquire all, substantially all, or a portion of the Property or Business, whether through an asset purchase, a share purchase or a combination thereof;

"**SISP**" has the meaning given to it in the preamble.

"**Successful Bid**" has the meaning given to it in paragraph 20.

"**Successful Bidder**" has the meaning given to it in paragraph 20.

"**Target Closing Date**" has the meaning given to it in paragraph 17.n).

"**Teaser Letter**" has the meaning given to it in paragraph 8.d).

"**VDR**" has the meaning given to it in paragraph 8.

Court File No.: CV-24-00730212-00CL

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE
MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CHESSWOOD GROUP LIMITED, et al.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding Commenced at Toronto

SISP APPROVAL ORDER

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