

CONFIDENTIAL

February 9, 2024

Re: Collision Kings Group – Bid Process Letter

We appreciate your interest continued in exploring a potential transaction with the Collision Kings Inc *et al.*

On February 7, 2024, Collision Kings Group Inc., CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., Nick's Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy's Auto Body Ltd. (collectively, the "**Applicant**" or "**CKG**") sought and obtained an initial order (the "**Initial Order**") from the Court of King's Bench of Alberta (the "**Court**") under the *Companies Creditors Arrangement Act*, RSC 1985, c C-36, as amended ("**CCAA**").

The Initial Order among other things, (1) provides a stay of proceedings which may be extended from time to time; (2) approves a sales and investment solicitation process (the "**SISP**" and the procedure, the "**SISP Procedure**") in respect of CKG and approves the related stalking horse transaction; and (3) appoints FTI Consulting Canada Inc. as monitor ("**Monitor**") of CKG.

The purpose of this letter is to communicate information regarding next steps in connection with the SISP Procedure which is comprised of one phase and, if required, an auction. A copy of the SISP is attached as Schedule "A" to this letter. All capitalized terms that are used but not defined herein shall have the meanings given to them in the SISP.

Any party who wishes to participate in the SISP (each, a "**Potential Bidder**") must deliver to the Monitor:

- (a) an executed NDA in the form attached as Schedule "B" which shall inure to the benefit of any purchaser of the Business or Property, or any portion thereof;
- (b) a letter setting forth the Potential Bidder's (i) identity, (ii) contact information and (iii) full disclosure of its direct and indirect principals; and
- (c) a form of financial disclosure and credit quality support or enhancement that allows CKG and the Monitor to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate: (i) the acquisition of all, substantially all or a portion of the Property or (ii) an investment in, restructuring, reorganization or refinancing of the Business or CKG, as applicable.

If CKG and the Monitor determine that you have met the foregoing requirements, you will be provided access to a data room that includes certain confidential information with respect to CKG's operations and financial performance. 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 CKG.

If you wish to make a formal offer to purchase the Property or make an investment in CKG, we ask that you please submit your binding offer (a "**Binding Bid**") to FTI by no later than **5:00 pm Calgary time on March 8, 2024.**

Your Binding Bid must be signed by a director or senior officer with the authority to submit such a Binding Bid. Your Binding Bid should reflect the best and most attractive basis upon which you would make an offer based on the information available to you and should be in the form of an executed purchase agreement substantially in the form provided in the data room.

If one or more Binding Bids are received for the same Property or the Business, and such Binding Bids are determined to be Qualified Bids, an auction may be held and you may be invited to participate. Any such auction will be held at **10:00 am Calgary time on March 13, 2024** at the offices of the Monitor's counsel in Calgary, Alberta.

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The Monitor, CKG and FTI (in its personal or corporate capacity), and their respective affiliates and advisors assume no liability or obligation whatsoever to any interested party in connection with the SISP, including, but not limited to, as a result of the rejection of any or all of bids, the acceptance of another interested party's bids or the termination of the process. No party will be entitled for any reason (including, without limitation, any modification of the procedures contemplated herein) to reimbursement for any costs or expenses incurred in reliance upon the procedures set forth in this letter, as such procedures may be modified from time to time. No finder's fees, commissions, expenses or other compensation will be paid by CKG, its affiliates or its advisors to agents, consultants, advisors or other intermediaries of any party. The Monitor and CKG reserve the right to amend any information which has been made available to interested parties whether by way of addition, deletion, amendment or otherwise.

The Monitor and CKG will not be under any obligation to review, consider or accept any bid that you may submit. The Monitor reserves the right, at its sole discretion and without liability to change, suspend or terminate the procedures outlined above at any time and in any respect, and to reject any and all proposals and to terminate negotiations and discussions at any time and for any reason, without being obliged to give any reasons, with any or all potential purchasers and to negotiate with any party in any manner and to a timetable that may be different to that outlined in this letter. You acknowledge and accept that neither the Monitor nor CKG has made any commitment or otherwise incurred any obligation to consider or conclude any transaction with you, and that both the Monitor and CKG remain free to conclude such a transaction at any time with any person (including the Stalking Horse Bidder) without notice to you or to other potential purchasers, or to withdraw or terminate the transaction contemplated by this letter at any time and will have no liability to you for damages or other compensation in relation to any such actions or in relation to the rejection of any offer of any kind at any time. You acknowledge and agree that, except as may be later agreed in writing with you in a legally binding definitive agreement executed by you and CKG with respect to the transaction, all costs, expenses or other liabilities that you or any of your affiliates, agents, representatives or advisers may incur in connection with your bid or the transaction contemplated by this letter shall be entirely for your own account and that neither the Monitor nor CKG (nor FTI in its personal or corporate capacity) will have any liability to you in respect of such costs, expenses or other obligations or liabilities.

Pursuant to the non-disclosure agreement, under no circumstances are you permitted to contact any of CKG's executives, employees, directors, shareholders, affiliates, lenders, customers, suppliers, vendors or

service providers with respect to any transaction unless consented to by the Monitor and CKG or its advisors, nor to disclose the potential transaction or this process to any third parties. All communications or inquiries regarding the process or any other matters relating to this letter should be directed to the Monitor.

We appreciate your interest and look forward to receiving your bid.

Yours truly,



Rob Kleebaum
FTI Consulting in its capacity as
Monitor of CKG

Schedule “A”**SISP**

(see attached)

SALE AND INVESTMENT SOLICITATION PROCESS

COLLISION KINGS GROUP INC. ET AL

INTRODUCTION

1. On February 7, 2024, the Honourable Justice Neilson in Alberta Court of King's Bench (the "**Court**") Action No. 2401-01778 (the "**CCAA Proceedings**") granted an order (the "**Initial Order**"), among other things:
 - (a) appointing FTI Consulting Canada Inc. ("**FTI**") as monitor (the "**Monitor**") of Collision Kings Group Inc., CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., Nick's Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy's Auto Body Ltd. (the "**CKG Group**" or the "**Debtors**");
 - (b) approving an interim financing agreement with the Toronto-Dominion Bank (the "**Interim Lender**") providing for financing to the Debtors up to a maximum principal amount of \$600,000, plus interest, costs and expenses, as well as granting a charge over all of the Debtors' present and future assets, property and undertakings of every nature and kind whatsoever, and wherever situate including all proceeds thereof;
 - (c) approving the transaction contemplated in the stalking horse asset purchase agreement (the "**Stalking Horse Bid**") between certain of the Debtors and the Lift Auto Group Operating Corporation (the "**Stalking Horse Bidder**"); and
 - (d) authorizing the Monitor, with the assistance of the Debtors, to conduct a sale and investment solicitation process (the "**SISP**") as further described herein to allow the Debtors to pursue all avenues of sale of their assets or investment in their business, in whole or in part, subject to prior approval of the Court before any material sale or investment.
2. The Debtors intend to provide all qualified interested parties with an opportunity to participate in the SISP.
3. This document (the "**SISP Procedure**") outlines the SISP, which is comprised of one phase and, if required, an auction.
4. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Unless otherwise indicated herein, any event that occurs on a day that is not a business day in the Province of Alberta (each, a "**Business Day**") shall be deemed to occur on the next Business Day. All references to time shall be to the current time in Calgary, Alberta. Capitalized terms not otherwise defined in this SISP Procedure shall have the meanings set forth in the materials filed by the Debtors in support of the SISP Procedure or the reports of the Monitor.

OPPORTUNITY

5. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Debtors' assets and business operations (the "**Opportunity**"). The Opportunity may include one or more of a restructuring, recapitalization or other form or reorganization of the business and affairs of the Debtors as a going concern, or a sale of all, substantially all, or one or

more components of the Debtors' assets (the "**Property**") and business operations (the "**Business**") as a going concern or otherwise.

6. Any sale 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 Debtors, 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 Debtors 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, to the extent that the Court deems it appropriate to grant such relief and except as otherwise provided in the definitive agreement and such Court orders.

TIMELINE

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

Milestone	Deadline
Debtors to create list of Known Potential Bidders	February 7, 2024
Monitor to prepare and have available for Potential Bidders the Data Room	February 7, 2024
Monitor to distribute Teaser Letters and NDAs to Known Potential Bidders	February 10, 2024
Bid Deadline	March 8, 2024
Auction (if required)	March 13, 2024
Transaction Approval Application Hearing (if required)	March 18-22, 2024
Closing Date Deadline (other than the Stalking Horse Bid)	March 29, 2024

The dates set out in the SISP may be extended by the Monitor with the consent and approval of the Debtors.

SOLICITATION OF INTEREST: NOTICE OF THE SISP

8. As soon as reasonably practicable, but in any event by no later than February 7, 2024:
- (a) the Debtors, in consultation with the Monitor, will prepare a list of Potential Bidders (as defined herein), including:
 - (i) parties that have approached the Debtors or the Monitor indicating an interest in the Opportunity; and
 - (ii) local and international strategic and financial parties who the Debtors, in consultation with the Monitor, believe may be interested in purchasing all or part of the Business and Property or investing in the Debtors pursuant to the SISP,
 (collectively, "**Known Potential Bidders**");
 - (b) the Monitor will arrange for a notice of the SISP (and such other relevant information

which the Monitor, in consultation with the Debtors, considers appropriate) (the "**Notice**") to be published in the National Post, Insolvency Insider and any other industry publication, website, newspaper or journal as the Debtors, in consultation with the Monitor, consider appropriate, if any;

- (c) the Debtors will issue a press release with Canada Newswire setting out the information contained in the Notice and such other relevant information which the Debtors, in consultation with the Monitor, consider appropriate designating dissemination in Canada; and
 - (d) the Debtors, in consultation with the Monitor, 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 Debtors and the Monitor, and their respective counsel (an "**NDA**").
9. The Monitor shall send the Teaser Letter and NDA to each Known Potential Bidder by no later than February 10, 2024 and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Debtors or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Qualified Bidders

10. Any party who wishes to participate in the SISP (each, a "**Potential Bidder**") other than the Stalking Horse Bidder, must deliver to the Monitor:
- (a) an executed NDA which shall inure to the benefit of any purchaser of the Business or Property, or any portion thereof;
 - (b) a letter setting forth the Potential Bidder's (i) identity, (ii) contact information and (iii) full disclosure of its direct and indirect principals; and
 - (c) a form of financial disclosure and credit quality support or enhancement that allows the Debtors and the Monitor to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate: (i) the acquisition of all, substantially all or a portion of the Property (each, a "**Sale Proposal**") or (ii) an investment in, restructuring, reorganization or refinancing of the Business or the Debtors (each, an "**Investment Proposal**"), as applicable.
11. If the Debtors and the Monitor, determine that a Potential Bidder has:
- (a) delivered the documents contemplated in paragraph 10 above; and
 - (b) the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale or investment pursuant to the SISP,

then such Potential Bidder will be deemed to be a "**Qualified Bidder**". For greater certainty, (i) provided the Stalking Horse Bid is approved by the Court, the Stalking Horse Bidder shall be

deemed to be a Qualified Bidder; and (ii) no Potential Bidder (other than the Stalking Horse Bidder) shall be deemed to be a Qualified Bidder without the approval of the Monitor.

12. At any time during the SISP, the Monitor may, in its reasonable business judgment and after consultation with the Debtors, eliminate a Qualified Bidder (other than the Stalking Horse Bidder) from the SISP, in which case such bidder will be eliminated from the SISP, will no longer be a Qualified Bidder for the purposes of this SISP, and shall have no further recourse as against the Debtors or the Monitor.

Due Diligence

13. The Monitor, with the assistance of the Debtors, shall prepare a data room with additional information considered relevant to the Opportunity, including (a) a form of purchase agreement; and (b) an estimate of the total Purchase Price set out in the Stalking Horse Bid. The Debtors, the Monitor and their respective advisors make no representation or warranty whatsoever as to the information (including as to the accuracy or completeness of such information) made available pursuant to the SISP, including in the data room, except to the extent expressly contemplated in any definitive sale or investment agreement with a successful bidder ultimately executed and delivered by the Debtors.
14. 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 Debtors.
15. The Monitor, in consultation with the Debtors, shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence material and information relating to the Property and Business as they or the Monitor deem appropriate. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Debtors, in their reasonable business judgment and after consulting with the Monitor, may agree.
16. The Monitor shall designate a representative to coordinate all reasonable requests for additional information and due diligence access from Qualified Bidders and the manner in which such requests must be communicated. Neither the Debtors nor the Monitor shall be obligated to furnish any information relating to the Property or Business to any person other than to Qualified Bidders. Furthermore, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Debtors, in consultation with and with the approval of the Monitor, determine such information to represent proprietary or sensitive competitive information.

PHASE 1: BINDING BIDS

Formal Binding Bids

17. Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Debtors or their Property or Business shall submit a binding offer (a "**Binding Bid**") that complies with all of the following requirements to the Monitor at the address specified in Schedule "1" hereto (including by e-mail), so as to be received by them not later than 5:00 pm on March 8, 2024 or on such date and time as may be modified by the Monitor (the "**Bid Deadline**"):
 -

- (a) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Debtors or their Property or Business and is consistent with any necessary terms and conditions established by the Debtors and the Monitor and communicated to Qualified Bidders;
- (b) the bid includes a letter stating that the Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined herein), 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;
- (c) the bid includes duly authorized and executed transaction agreements, substantially in the form provided in the data room, including the purchase price, investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto;
- (d) 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 Debtors and the Monitor to make a determination as to the Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
- (e) the bid is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder, apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld from the Qualified Bidder, or (ii) obtaining financing, but may be conditioned upon the Debtors receiving the required approvals or amendments relating to the licences required to operate the Business, if necessary;
- (f) the bid (other than the Stalking Horse Bid) does not include a request for or entitlement to any break fee, expense reimbursement or other similar type payment if the bid is not selected as the Successful Bid (as defined herein);
- (g) 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;
- (h) for a Sale Proposal, the bid includes payment of a non-refundable deposit in the form of a wire transfer to a trust account specified by the Monitor (a "**Deposit**") in an amount not less than 20% of the Purchase Price by the Bid Deadline;
- (i) for an Investment Proposal, the bid includes payment of a Deposit in the amount of not less than 20% of the total new investment contemplated in the bid by the Bid Deadline;
- (j) the bid includes acknowledgements and representations of the Qualified Bidder that the Qualified Bidder:
 - (i) has had an opportunity to conduct any and all due diligence regarding the Property, the Business and the Debtors 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 from the 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, the Property, or the Debtors or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Debtors;
- (k) the bid and Deposit are received by the Bid Deadline;
- (l) the bid contemplates closing the transaction set out therein no later than March 29, 2024.

Assessment of Binding Bids

18. Following the Bid Deadline, the Monitor, together with the Debtors and Interim Lender, will assess the Binding Bids received, following which they will designate the most competitive bids that comply with the foregoing requirements to be "**Qualified Bids**". No Binding Bids received (other than the Stalking Horse Bid) shall be deemed to be Qualified Bids without the approval of the Monitor. Only Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s). For certainty, provided the Stalking Horse Bid is approved by the Court, the Stalking Horse Bid is deemed to be a Qualified Bid.
19. If at the Bid Deadline, at least one Qualified Bid other than the Stalking Horse Bid has been received, the Monitor, in consultation with the Debtors and Interim Lender, will evaluate Qualified Bids based upon several factors including, without limitation:
 - (a) the Purchase Price and the net value provided by such bid;
 - (b) the identity, circumstances and ability of the Qualified Bidder to successfully complete such transactions;
 - (c) the proposed transaction documents;
 - (d) factors affecting the speed, certainty and value of the transaction;
 - (e) the assets included or excluded from the bid;
 - (f) any related restructuring costs; and
 - (g) the likelihood and timing of consummating such transaction.

The Debtors may, with the approval of the Monitor and Interim Lender, choose to aggregate separate Binding Bids from unaffiliated Qualified Bidders to create one Qualified Bid if such aggregated Qualified Bid would constitute a superior offer.

Selection of Successful Bid

20. For certainty, if at the Bid Deadline, no Qualified Bids have been received that improve upon the terms and conditions of the Stalking Horse Bid, as determined by the Monitor in consultation with the Debtors and Interim Lender, the Stalking Horse Bid will be declared the highest or otherwise best bid (the "**Successful Bid**", and, as applicable, the Qualified Bidder making such Successful

Bid, the "**Successful Bidder**") and will close in accordance with the terms of the Successful Bid and any applicable Court orders.

21. If the Monitor, in consultation with the Debtors and Interim Lender, determines, in its reasonable discretion, that:
- (a) one or more Qualified Bids have been received for Property not contemplated in the Stalking Horse Bid, the Monitor may designate the applicable Qualified Bids as the respective Successful Bids for the applicable Property (as well as any applicable Back-up Bids).
 - (b) one or more Qualified Bids have been received for some or all of the Property contemplated in the Stalking Horse Bid, the Monitor may either:
 - (i) designate one or more Qualified Bids as Successful Bids and one or more of the other Qualified Bids as Back-up Bids; or
 - (ii) provide all parties that have made Qualified Bids, including the Stalking Horse Bidder, the opportunity to make further bids through the auction process set out below (the "**Auction**").

AUCTION

Auction Process

22. In the event of an Auction, the Monitor shall conduct the Auction commencing at 10:00 a.m. on March 13, 2024 at the offices of the Monitor's legal counsel, Cassels, Brock & Blackwell LLP, Suite 3810, Bankers Hall West, 888 3 St SW, Calgary, AB T2P 5C5, or such other location as shall be timely communicated to all entities entitled to attend at the Auction, which Auction may be adjourned by the Monitor.
23. The Auction shall run in accordance with the following procedures, which shall be adjusted accordingly in the event of any adjournment of the Auction by the Monitor:
- (a) prior to 5:00 p.m. on March 11, 2024, the Monitor will provide unredacted copies of the Qualified Bid(s) which the Monitor believes is/are (individually or in the aggregate) the highest or otherwise best Qualified Bid(s) (the "**Starting Bid**") to all Qualified Bidders that have made a Qualified Bid;
 - (b) prior to 5:00 p.m. on March 12, 2024, each Qualified Bidder that has made a Qualified Bid must inform the Monitor by email whether it intends to participate in the Auction (the parties who so inform the Monitor that they intend to participate are hereinafter referred to as the "**Auction Bidders**");
 - (c) prior to the Auction, the Monitor shall develop a financial comparison model (the "**Comparison Model**") which will be used to compare the Starting Bid and all Subsequent Bids (as defined below) submitted during the Auction, if applicable;
 - (d) during the morning of March 13, 2024, the Monitor shall make itself available to meet with each of the Auction Bidders to review the procedures for the Auction, the mechanics of the Comparison Model, and the manner by which Subsequent Bids will be evaluated

during the Auction, and the Auction shall be held immediately thereafter;

- (e) only representatives of the Auction Bidders, the Monitor, and such other persons as permitted by the Monitor (and the advisors to each of the foregoing entities) are entitled to attend the Auction in person (and the Monitor shall have the discretion to allow such persons to attend by teleconference);
- (f) the Monitor shall arrange to have a court reporter attend the Auction;
- (g) at the commencement of the Auction, each Auction Bidder shall be required to confirm that it has not engaged in any collusion with any other Auction Bidder with respect to the bidding or any sale;
- (h) only the Auction Bidders will be entitled to make a Subsequent Bid (as defined below) at the Auction; provided, however, that in the event that any Qualified Bidder elects not to attend and/or participate in the Auction, such Qualified Bidder's Qualified Bid, shall nevertheless remain fully enforceable against such Qualified Bidder if it is selected as the Winning Bid (as defined below) or Back-up Bid;
- (i) all Subsequent Bids presented during the Auction shall be made and received in one room and on an open basis. All Auction Bidders will be entitled to be present for all Subsequent Bids at the Auction with the understanding that the true identity of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders and that all material terms of each Subsequent Bid will be fully disclosed to all other Auction Bidders throughout the entire Auction;
- (j) all Auction Bidders must have at least one individual present at the Auction with authority to bind such Auction Bidder;
- (k) the Monitor may employ and announce at the Auction such additional procedural rules that are reasonable under the circumstances (including but not limited to, the amount of time allotted to make a Subsequent Bid, requirements to bid in each round, and the ability of multiple Auction Bidders to combine to present a single bid) for conducting the Auction, provided that such rules are (i) not inconsistent with these SISP Procedures, general practice in insolvency proceedings, or the Initial Order and (ii) disclosed to each Auction Bidder at the Auction;
- (l) bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (each, a "**Subsequent Bid**") that the Monitor, utilizing the Comparison Model, determines is:
 - (i) for the first round, a higher or otherwise better offer than the Starting Bid;
 - (ii) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined below),

in each case by at least the minimum incremental overbid of at least \$200,000. After the first round of bidding and between each subsequent round of bidding, the Monitor shall announce the bid (including the value and material terms thereof) that it believes to be the highest or otherwise best offer (in each round, the "**Leading Bid**"). A round

of bidding will conclude after each Auction Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid;

- (m) to the extent not previously provided (which shall be determined by the Monitor), an Auction Bidder submitting a Subsequent Bid must submit, at the Monitor's discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Monitor), demonstrating such Auction Bidder's ability to close the transaction proposed by the Subsequent Bid;
 - (n) the Monitor reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction of not more than 24 hours each, to among other things (i) facilitate discussions between the Monitor and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Monitor with such additional evidence as the Monitor, in its reasonable business judgment, may require that that Auction Bidder has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing overbid amount;
 - (o) if, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed;
 - (p) the Auction shall be closed within 2 Business Days of the start of the Auction unless otherwise extended by the Monitor; and
 - (q) no bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.
24. At the end of the Auction, the Monitor shall select the winning bid (the "**Winning Bid**"). Once a definitive agreement has been negotiated and settled in respect of the Winning Bid as selected by the Monitor (the "**Selected Superior Offer**") in accordance with the provisions hereof, the Selected Superior Offer shall be the "**Successful Bid**" hereunder and the person(s) who made the Selected Superior Offer shall be the "**Successful Bidder**" hereunder.
25. Notwithstanding the foregoing, the Monitor may designate one or more Qualified Bids (whether made in the Auction or not) as a "**Back-up Bid**" and the person(s) who made the Back-up Bid shall be a "**Back-up Bidder**" hereunder. A Back-up Bid shall remain enforceable against the Back-up Bidder until either the transaction contemplated by the initial applicable Successful Bid closes (in which case the Back-up Bid shall be deemed to terminate and the Back-up Bidder shall receive its Deposit back) or the transaction contemplated by the initial Successful Bid does not close, in which case the Monitor may deem the best Back-up Bid to be the Successful Bid for the purposes of the SISP Procedures.

Transaction Approval Application Hearing

26. If the Successful Bid is the Stalking Horse Bid, the Stalking Horse Bidder and Debtors will use best efforts to close the transaction by no later than March 15, 2024.

27. If the Stalking Horse Bid is not the Successful Bid, or if the Stalking Horse Bid is a Successful Bid and there is another Successful Bid for separate Property, the Debtors will bring an application to approve the transaction with the other Successful Bidder (the "**Transaction Approval Application**") as soon as reasonably practicable after finalization of the transaction agreement(s).
28. All the Qualified Bids other than the Successful Bid and Back-up Bids, if any, shall be deemed to be rejected on and as of the date of the closing of the transaction contemplated by the Successful Bid if the Stalking Horse Bid or Court approval of the Successful Bid is not the Stalking Horse Bid.

Confidentiality and Access to Information

29. All discussions regarding a Sale Proposal, Investment Proposal, Binding Bid or Qualified Bid shall be directed through the Monitor. Under no circumstances should the management or employees of the Debtors be contacted directly without the prior consent of the Monitor. Any such unauthorized contact or communication may result in exclusion of the interested party from the SISP Procedures.
30. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all current participants relating to the number or identity of Potential Bidders, Qualified Bidders, Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Debtors, the Monitor and such other bidders or Potential Bidders in connection with the SISP, except to the extent the Debtors, with the approval of the Monitor and Interim Lender and consent of the applicable participants, are seeking to combine separate bids from Qualified Bidders, in which case they shall use reasonable efforts to protect the confidentiality of such party's confidential information.
31. The Monitor may consult with any other parties with a material interest in the CCAA Proceedings (including the Interim Lender) regarding the status of and material information and developments relating to the SISP to the extent considered appropriate by the Monitor (taking into account, among other things, whether any particular party is a Potential Bidder, Qualified Bidder or other participant or prospective participant in the SISP or involved in a bid), provided that such parties shall have entered into confidentiality arrangements satisfactory to the Debtors and the Monitor.

Deposits

32. All Deposits shall be retained by the Monitor in a non-interest-bearing trust account located at a financial institution in Canada selected by the Monitor. The Monitor may waive the requirement of a Deposit if it believes sufficient security or certainty has been provided by a Qualified Bidder, including by way of a credit bid.
33. If there is a Qualified Bid that constitutes a Successful Bid, the Deposit paid by the Successful Bidder shall be applied to the consideration to be paid upon closing of the transaction constituting the Successful Bid.
34. The Deposit(s) from all Qualified Bidders submitting Qualified Bids that do not constitute a Successful Bid or a Back-up Bid shall be returned to such Qualified Bidder within five (5) Business Days of the date that the Debtors select a Successful Bid and Back-up Bid, if applicable.
35. If the Qualified Bidder making a Qualified Bid is selected as the Successful Bid and breaches or defaults on its obligation to close the transaction in respect of its Successful Bid, it shall forfeit its Deposit to the Monitor for and on behalf of the Debtors; provided however that the forfeit of such

Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Debtors have in respect of such breach or default.

36. If the Debtors are unable to complete the Successful Bid as a result of their own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of the Successful Bidder) then the Deposit shall be returned to the Successful Bidder.

Supervision of the SISP

37. The Monitor shall oversee the conduct of the SISP in all respects. Without limitation to that supervisory role, the Monitor shall participate in the SISP in the manner set out in this SISP Procedure, the Initial Order, and any other order of the Court, and is entitled to receive all information in relation to the SISP. 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.
38. The Monitor, in consultation with the Debtors and Interim Lender, may waive compliance with any one or more of the requirements of this SISP, including, for greater certainty, waiving strict compliance with any one or more of the requirements specified above and deem a non-compliant bid to be a Qualified Bid.
39. This SISP does not, and shall not be interpreted to, create any contractual or other legal relationship between the Debtors or the Monitor and any Potential Bidder, any Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Debtors.
40. Without limiting the preceding paragraph, the Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Qualified Bidder, the Successful Bidder, any Back-up Bidder, the Debtors, or any other creditor or other stakeholder of the Debtors, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result from gross negligence or willful misconduct of the Monitor. By submitting a bid, each Potential Bidder, Qualified Bidder, Successful Bidder and Back-up Bidder shall be deemed to have agreed that it has no claim against the Monitor for any reason whatsoever, except to the extent that such claim is the result of gross negligence or willful misconduct of the Monitor.
41. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Binding Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
42. Subject to the terms of the Initial Order, the Monitor, in consultation with the Debtors and Interim Lender, shall have the right to modify the SISP if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the service list in the CCAA Proceedings shall be advised of any substantive modification to the procedures set forth herein.
43. In order to discharge its duties in connection with the SISP the Monitor may engage professional or business advisors or agents as the Monitor deems fit in its sole discretion.

Further Orders

44. At any time during the SISP, the Monitor or the Debtors may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder, if any.

Schedule "1"

To the Monitor:

FTI Consulting Canada Inc., the Monitor

Attention: Dustin Olver / Robert Kleebaum
Email: dustin.olver@fticonsulting.com/ robert.kleebaum@fticonsulting.com

With a copy to:

Cassels, Brock & Blackwell LLP, legal counsel to the Monitor

Attention: Jeffrey Oliver/Danielle Marechal
Email: joliver@cassels.com/dmarechal@cassels.com

To the Debtors:

Collision Kings Group Inc. et al, the Debtors

Attention: Shane Daerden
Email: shane@collisionkings.ca

MLT Aikins LLP, legal counsel to the Debtors

Attention: JJ Burnell
Email: jburnell@mltaikins.com

Schedule “B”

Form of NDA

(see attached)

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

THIS AGREEMENT made effective as of the _____ day of _____, 2024 (the “Effective Date”)

AMONG:

FTI Consulting Canada Inc., its capacity as Court-appointed monitor of Collision Kings Group Inc., CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., Nick’s Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy’s Auto Body Ltd., and not in its personal or corporate capacity

and

Collision Kings Group Inc., CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., Nick’s Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy’s Auto Body Ltd.

(collectively, the Monitor and CKG are referred to herein as the “Discloser”)

AND:

(the “Recipient”)

RECITALS:

- A. By Order pronounced on February 7, 2024 in proceedings commenced under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (the “CCAA”) in the Court of King’s Bench for Alberta (the “Court”) bearing the K.B. No. 2401-01778 (the “CCAA Proceedings”), the Court granted an order appointing FTI Consulting Canada Inc. as monitor (the “Monitor”) in the CCAA Proceedings commenced by Collision Kings Group Inc., CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., Nick’s Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy’s Auto Body Ltd. (collectively, the “Companies” or “CKG”).
- B. By Order pronounced on February 7, 2024, the Court granted an order (the “SISP Order”) approving the Sale and Investment and Solicitation Process (the “SISP”) and the SISP procedures (the “SISP Procedures”).
- C. The Recipient, in accordance and subject to the terms of the SISP Procedures, is desirous of evaluating a potential opportunity (the “Opportunity”) with the Companies that may involve a Person making an investment through the provision of additional financing or investment in the

Companies (each a “**Investment Proposal**”), or an offer to purchase some or all of the Business or some or all of the assets of the Companies (each an “**Sale Proposal**”).

- D. The Discloser is willing to make certain Confidential Information (as defined below) available to the Recipient for the sole purpose of permitting the Recipient to consider and evaluate if a transaction (the “**Transaction**”) in respect of an Opportunity should proceed, and if so, to implement a Transaction, subject to approval of the Court (collectively, the “**Permitted Purpose**”), all subject to the terms and conditions of this Agreement (as defined below);
- E. As a pre-condition to the Discloser, its representatives or agents providing information to the Recipient concerning the Companies, their business, its property and the assets for the purposes of making an Investment Proposal or Sale Proposal, the Discloser requires, and the Recipient has agreed, to execute and deliver to the Monitor and the Companies, a confidentiality agreement in form and substance satisfactory to the Monitor and the Companies.

NOW THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Discloser and the Recipient (collectively, the “**Parties**”) agree as follows:

1. Definitions and Interpretation

1.1 **Definitions:** In this Agreement, except as otherwise expressly provided:

- (a) “**Agreement**” means this Confidentiality and Non-Disclosure Agreement and the expressions “herein”, “hereby”, “hereof”, “hereto”, “hereunder” and similar expressions refer to this Agreement and not to any particular article, section or other subdivision of it;
- (b) “**CKG**” shall have the meaning given to it in Recital A;
- (c) “**Closing**” shall have the meaning set out in section 4.1(b);
- (d) “**Confidential Information**” means:
 - (i) all data and information, in whatever form communicated or maintained, whether orally, in writing, electronically, in computer readable form or otherwise, that the Discloser or any of its Representatives (in each case on behalf of the Discloser) and/or the Companies or any of the Companies' Representatives discloses or has disclosed to, or that is gathered by inspection by, the Recipient or any of the Recipient's Representatives, whether provided before or after the date of this Agreement, including, information that contains or otherwise reflects information concerning the Companies, the Opportunity, the business or affairs, operations, prospects, activities, and intellectual property rights of the Companies and specifically includes, without limitation, all data, records, reports, studies, projections, knowledge, patents, theories, information (financial, corporate, business or otherwise), intellectual property, designs, drawings, plans, opportunities, prototypes, specifications, manuals, photographs, software, hardware, equipment, printouts, reports, market research, business plans, customer lists, supply sources, trade secrets, information relating to existing and potential financiers and investors, trade lists,

processes, techniques, ideas, improvements, innovations, know-how, research and development, calculations, opinions, and documents, and any information provided to the Discloser or any of their Representatives by third parties under circumstances in which the Discloser or any of their respective Representatives has an obligation to protect the confidentiality of such information, including all information received by the Discloser and/or the Discloser's Representatives in connection with the Companies, the Opportunity, or its business and disclosed and communicated to, or gathered by, the Recipient or any of the Recipient's Representatives;

- (ii) all plans, proposals, reports, analyses, notes, studies, forecasts, compilations or other information, in any form, that are based on, contain or reflect any Confidential Information regardless of the identity of the Person preparing same (“Notes”);
- (iii) the existence and terms of this Agreement and any other agreements related to a possible Transaction;
- (iv) the fact that information has been disclosed or made available to the Recipient or the Recipient's Representatives; and
- (v) the fact that discussions or negotiations are or may be taking place with respect to a possible Transaction, the proposed terms of any such Transaction and the status of any discussions or negotiations under this Agreement or in connection with any possible Transaction;

“**Confidential Information**” does not include any information that:

- (vi) is available to the Recipient or the Recipient's Representatives on a non-confidential basis from a source other than the Discloser or any of the Discloser's Representatives, provided that such source is not known by the Recipient, after reasonable investigation, to be bound by a contractual, legal or fiduciary obligation of confidentiality to the Discloser or any other person with respect to such information; or
- (vii) is at the time of disclosure known to the Recipient or thereafter becomes generally available to the public, other than as a result of a disclosure by the Recipient or any of the Recipient's Representatives in breach of this Agreement; or
- (viii) information which can be shown by the Recipient or its Representatives to have been independently developed by the Recipient or its Representatives without reliance upon the Confidential Information.

The foregoing exclusions do not apply to Confidential Information that is personal information;

- (e) “**Court**” shall have the meaning given to it in Recital A

- (f) **“Definitive Agreement”** means a binding definitive written agreement to consummate a Transaction;
- (g) **“Effective Date”** means the date of this Agreement as set forth at the top of the first page of this Agreement;
- (h) **“Investment Proposal”** shall have the meaning set out in Recital C;
- (i) **“Notes”** has the meaning set out in the definition of Confidential Information;
- (j) **“Opportunity”** shall have the meaning set out in Recital C;
- (k) **“Parties”** shall have the meaning set out in the preamble;
- (l) **“Permitted Purpose”** shall have the meaning set out in Recital D;
- (m) **“Person”** means a natural person; sole proprietorship; syndicate; estate; an individual in his capacity as trustee, executor, administrator or other legal or personal representative; firm; trust; pension plan; partnership; joint venture; association; corporation; unincorporated organization; union; governmental body; or other entity and a successor to any such Person;
- (n) **“Personal Information”** shall have the meaning set out in Section 4.1;
- (o) **“Representatives”** means, in respect of a party, such party's agents, directors, officers, employees, representatives, consultants, lenders, and advisers (including legal counsel);
- (p) **“Sale Proposal”** has the meaning set out in Recital C;
- (q) **“SISP”** shall have the meaning set out in Recital B;
- (r) **“SISP Procedures”** shall have the meaning set out in Recital B; and
- (s) **“Transaction”** shall have the meaning set out in Recital E.

1.2 **Interpretation:** In this Agreement, except as otherwise expressly provided:

- (a) all words and personal pronouns will be read and construed as the number and gender of the party or parties require and the verb will be read and construed as agreeing with the required word and pronoun;
- (b) any reference in this Agreement to the Discloser or the Recipient will include and will be deemed to be a reference to such party's successors, affiliates and permitted assigns; and
- (c) the division of this Agreement into articles and sections and the use of headings is for convenience of reference only and will not modify or affect the interpretation or construction of this Agreement or any of its provisions.

1.3 Any article, section or other subdivision or any other provision of this Agreement which is, is deemed to be, or becomes void, illegal, invalid or unenforceable will be severable from this Agreement and ineffective to the extent of such voidability, illegality, invalidity or unenforceability

and will not invalidate, affect or impair the remaining provisions of this Agreement which will be severable from any void, illegal, invalid or unenforceable article, section or other subdivision or provision.

- 1.4 This Agreement and its application and interpretation will be governed by and construed in accordance with the laws in force in the Province of Alberta, and each of the parties irrevocably submits to the jurisdiction of the courts of the Province of Alberta for the interpretation and enforcement of this Agreement.

2. Confidentiality and Non-Disclosure

- 2.1 As a condition to receiving the Confidential Information, the Recipient agrees to treat confidentially, and not to disclose, and to cause the Recipient's Representatives to treat confidentially and not disclose (except as permitted herein), any Confidential Information.
- 2.2 The Recipient hereby recognizes and acknowledges the competitive value and confidential nature of the Confidential Information and the damage that would result to the Companies, if any of the Confidential Information is disclosed to any third party. Accordingly, the Recipient hereby agrees that the Confidential Information will be used solely for the Permitted Purpose and not any other purpose.
- 2.3 The Recipient may disclose Confidential Information only to the limited group of the Recipient's Representatives, who are actually engaged in and need to know the Confidential Information for the Permitted Purpose, who have been informed of the confidential nature of the Confidential Information, and who agree to keep such information confidential and not use such Confidential Information for any purpose other than the Permitted Purpose. The Recipient shall ensure that each of the Recipient's Representatives will observe all terms and conditions of this Agreement. The Recipient further agrees that it shall be responsible for any breach of this Agreement by any of the Recipient's Representatives.
- 2.4 The Confidential Information shall remain at all times the property of the Companies. No rights to use, license, or otherwise exploit the Confidential Information are granted to the Recipient, by implication or otherwise, by virtue of Confidential Information being made available to the Recipient or any of the Recipient's Representatives.

3. Enforcement

- 3.1 The Recipient acknowledges and agrees that the Companies would not have an adequate remedy at law and would be irreparably damaged by any unauthorized disclosure or use of any Confidential Information or in the event that any of the provisions of this Agreement were not performed by the Recipient and the Recipient's Representatives in accordance with their specific terms or were otherwise breached by the Recipient or any of the Recipient's Representatives.
- 3.2 Without prejudice to the rights and remedies otherwise available to the Discloser, the Recipient agrees that the Discloser shall be entitled, without the requirement of posting a bond or other security, to equitable relief, including an injunction or specific performance, in the event of any

breach or threatened breach of the provisions of this Agreement by the Recipient or the Recipient's Representatives. Such remedies shall not be deemed to be exclusive remedies but shall be in addition to all other remedies available at law or equity to the Discloser. In the event of litigation relating to this Agreement, if a court of competent jurisdiction determines that the Recipient or any of the Recipient's Representatives have breached this Agreement, then the Recipient shall be liable and pay to the Discloser the reasonable costs and expenses (including attorney's fees on a full indemnity solicitor and his own client basis) incurred by the Discloser in connection with such litigation, including any appeal therefrom. The Recipient shall indemnify and hold harmless the Discloser and the Discloser's directors, officers, employees, consultants, representatives, advisors and agents from all damages and losses of any nature whatsoever (including consequential damages) arising out of a breach by the Recipient or any of the Recipient's Representatives of any of the terms and conditions of this Agreement.

4. Personal Information

- 4.1 The Recipient agrees that the Discloser shall not disclose to the Recipient or any of the Recipient's Representatives information about identifiable individuals forming part of the Confidential Information (“**Personal Information**”) unless required by the Recipient, acting reasonably, for the purpose of evaluating the Transaction. If Personal Information is provided to the Recipient, then:
- (a) the Recipient shall comply with the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, and any similar provincial legislation governing the protection of personal information in the private sector applicable to the Recipient in the course of collecting, using and disclosing Personal Information in connection with the Transaction; and
 - (b) prior to obtaining Court approval and the closing of the Transaction (the “**Closing**”), the Recipient shall: (i) collect and use Personal Information only for the purpose of evaluating the Transaction; (ii) only disclose Personal Information to those of the Recipient's Representatives who need to know such Personal Information for the purpose of evaluating the Transaction; and (iii) use appropriate security measures to safeguard all Personal Information against unauthorized collection, access, use or disclosure.

5. Disclosure

- 5.1 In the event the Recipient or any of the Recipient's Representatives become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigation, demand, order or other administrative or legal process) to disclose any of the contents of the Confidential Information, or either the fact that discussions or negotiations are taking place concerning a possible Transaction between the Companies and the Recipient, or any of the terms, conditions or other facts with respect to any such possible Transaction, including the status thereof, the Discloser agrees that the Recipient and the Recipient's Representatives may do so without liability, provided the Recipient (i) cooperates with the Discloser in any attempts it may make to obtain a protective order or other appropriate assurance that confidential treatment will be afforded the Confidential Information, and (ii) if no protective order is obtained and disclosure is required, furnish only that portion of the Confidential Information that, in the Recipient's counsel's opinion, the Recipient is legally compelled to disclose.

6. General

- 6.1 This Agreement will continue for a period of two (2) years, unless otherwise agreed in writing by the Discloser. Notwithstanding the forgoing, or the destruction of the Confidential Information as contemplated herein, the Recipient agrees that its covenants in Articles 2, 3, 4, and 6 hereof shall survive the termination of this Agreement.
- 6.2 The Discloser may elect at any time to terminate further access by the Recipient to the Confidential Information. If at any time the Recipient determines not to proceed with the possible Transaction, the Recipient will promptly notify the Discloser in writing. Following any request by the Discloser or any of its Representatives, the Recipient agrees (i) to promptly re-deliver to the Discloser all written Confidential Information and any other written material containing or reflecting any of the Confidential Information in the possession of the Recipient or the Recipient's Representatives, (ii) the Recipient and the Recipient's Representatives will not retain any copies, extracts or other reproductions in whole or in part, mechanical or electronic, of such written material, and (iii) all Notes prepared by the Recipient or the Recipient's Representatives will be destroyed, with all such destruction being confirmed by the Recipient to the Discloser in writing.
- 6.3 Except to the extent necessary to carry out the Permitted Purpose, none of the Recipient or its Representatives are allowed to make copies of Confidential Information without the prior written approval of the Discloser (excepting that copies made by virtue of electronic communications or storage or printed copies for review by a permitted individual shall not be a breach of this prohibition).
- 6.4 Notwithstanding Section 6.3 or anything to the contrary in this Agreement, the Recipient and its Representatives are not required to destroy any computer files containing the Confidential Information that are created during automatic computer system backup, provided that such files are stored securely by the Recipient and its Representatives, cannot be destroyed without undue efforts, and access to such files are limited. With respect to such backup computer files, the non-use and confidentiality obligations set forth in this Agreement shall apply in perpetuity and survive expiration or termination of this Agreement.
- 6.5 If the Recipient or any of the Recipient's Representatives are provided with physical access to any properties or facilities of the Companies, the Recipient agrees that neither the Recipient nor any of the Recipient's Representatives shall have, and shall not make, any claims whatsoever against the Discloser, or any of its Representatives as a result of such access including, without limitation, any and all claims and causes of action for personal injury, death or property damage occurring as a result of the Recipient or any of the Recipient's Representatives' access to such properties or facilities and the Recipient agrees to indemnify, defend and hold harmless the Discloser, or any of its Representatives from and against any and all liabilities, claims and causes of action for personal injury, death or property damage occurring on or to such property or facility as a result of entry onto the premises by the Recipient or any of the Recipient's Representatives. You shall, and shall cause your Representatives to, comply fully with all rules, regulations and instructions issued by the Discloser regarding you or the Recipient's Representatives' access to such properties or facilities.
- 6.6 The Recipient understands and acknowledges that neither the Discloser nor any of its Representatives makes any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information. The Recipient agrees that neither the Discloser nor any of its Representatives shall have any liability to the Recipient or any of the Recipient's

Representatives relating to or resulting from use of the Confidential Information by the Recipient or the Recipient's Representatives. The Recipient further understands and agrees that (i) the Discloser (a) shall be free to conduct the process for a Transaction as it in its sole discretion shall determine (including changing or terminating such process, providing any information to any other Person, negotiating with any other Person or entering into a Definitive Agreement with any other Person with respect to any transaction, in each case, at any time and without notice to you or any other Person) and (b) shall be free at its sole discretion to at any time accept or reject any proposal relating to the Opportunity for any reason without notice to you or any other Person, and (ii) the Recipient shall have no claim against the Discloser or any of its Representatives in connection with any of the foregoing.

6.7 The Recipient hereby represents and warrants that:

- (a) it is not bound by the terms of any agreement with a third party that would conflict with any of the Recipient's obligations under this Agreement;
- (b) in accepting and reviewing the Confidential Information, the Recipient represents and warrants that it is acting solely for itself. Further, the Recipient represents and warrants that neither the Recipient nor any of the Recipient's Representatives have discussed or shared, and the Recipient hereby covenants that unless it has first received the written consent of the Monitor, neither the Recipient nor any of the Recipient's Representatives will discuss or share, with any third party any aspect of the Confidential Information, except in accordance with Section 2.3 or 5.1 of this Agreement;
- (c) the Recipient acknowledges that the effect of this covenant is that without the full disclosure to and the written consent of the Monitor, neither the Recipient nor any of the Recipient's Representatives can act as agent, partner, co-participant or co-venturer for any third party or third parties with respect to a proposed Transaction; and
- (d) in order to obtain the consent of the Monitor, which the Monitor is entitled to withhold in its sole discretion, the Recipient shall notify the Monitor of the identity of each Person for whom or with whom the Recipient or any of the Recipient's Representatives had considered pursuing a possible Transaction and the nature and interest the Recipient or any of the Recipient's Representatives and each such Person would have in respect of such possible Transaction.

6.8 The Recipient agrees that, unless and until a Definitive Agreement is entered into between the Companies and the Recipient with respect to the Transaction, neither the Discloser nor the Recipient will be under any legal obligation of any kind whatsoever with respect to the Transaction by virtue of this or any other written or oral expression, except with respect to the matters specifically agreed to herein. Except for the matters set forth in this Agreement or in any Definitive Agreement, neither party shall be entitled to rely on any statement, promise, agreement or understanding, whether oral or written, any custom, usage of trade, course of dealing or conduct.

6.9 The Recipient agrees that all (i) communications regarding the Transaction, (ii) requests for additional information, (iii) requests for facility tours or management meetings, and (iv) discussions or questions regarding procedures, will be submitted or directed only to the Monitor. The Recipient further agrees that under no circumstances will the Recipient or the Recipient's Representatives discuss or otherwise communicate any aspect of the Transaction to any member of the management of the Companies without the express written permission of the Monitor. Without the Discloser's

prior written consent, the Recipient shall not, and shall direct the Recipient's Representatives not to, make any contact of any nature regarding a proposed Transaction (including inquiries or requests concerning Confidential Information) with any employee, supplier, customer, creditor, bank or other lender of or to the Companies.

- 6.10 The Recipient agrees that the restrictions contained in this Agreement are reasonable in order to protect the legitimate interests of the Discloser and all defences to the strict enforcement of the restrictions by the Discloser are hereby waived by the Recipient.
- 6.11 No waiver of any particular requirement hereunder shall be construed as a general waiver of this Agreement, and any failure by or delay by the Discloser in enforcing its rights against any particular breach of this Agreement shall not limit or affect its rights to enforce its rights against any other breach hereof.
- 6.12 This Agreement may not be assigned by the Recipient without the prior written consent of the Monitor and the Companies.
- 6.13 This Agreement shall enure to the benefit of the Discloser and their successors and assigns and shall be binding upon the Recipient and its successors and permitted assigns.
- 6.14 This Agreement constitutes the entire agreement between the Parties hereto and supersedes all prior contracts, agreements and understandings pertaining to the subject matter of this Agreement. No amendment, modification or alteration of this Agreement shall be binding unless executed in writing by the parties hereto. There are no representations, warranties, collateral agreements or conditions affecting this transaction other than as are expressed or referred to herein in writing.
- 6.15 Nothing contained in this Agreement shall in any way limit the rights or remedies available to the Discloser at law, in equity or under statute arising in any way in connection with the disclosure of the Confidentiality Information in the event of a breach or a threatened breach of this Agreement.
- 6.16 If the Recipient consists of more than one Person, the covenants of the Recipient will be joint and several covenants of each such Person.
- 6.17 This Agreement may be executed and delivered by facsimile or other electronic means of transmission and the parties hereto may rely upon such copies of the Agreement so delivered as though such copies are originals of this Agreement.
- 6.18 This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered will be deemed to be an original, and all such counterparts together will constitute one and the same instrument and, notwithstanding the date of execution, will be deemed to be dated as of the date written at the beginning of this Agreement.

The balance of this page is intentionally blank.

Signature page follows.

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the Effective Date.

By Discloser:

Collision Kings Group Inc., CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., Nick's Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy's Auto Body Ltd.

FTI Consulting Canada Inc., in its capacity as Court-appointed monitor of Collision Kings Group Inc., CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., Nick's Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy's Auto Body Ltd., and not in its personal or corporate capacity,

Per: _____
Name: Shane Daerden

Per: _____
Name: _____

By Recipient:

Per: _____
Name: _____

Signed in the presence of:

Witness

Name: