

## **Procedures for the Sale and Investment Solicitation Process**

### **(Intellectual Property)**

1. On January 27, 2025, Peavey Industries General Partner Limited ("**Peavey GP**"), TSC Stores GP Inc. ("**TSC GP**"), Guys Freightways Ltd. ("**Guys**"), and Peavey Industries Limited ("**Peavey Industries**") sought and obtained an initial order, as amended and restated from time to time, (the "**Initial Order**") from the Court of the King's Bench of Alberta (the "**Court**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"). The Initial Order also extended the benefits of the Initial Order to Peavey Industries LP ("**Peavey**") and Peavey Industries Mutual Fund Trust ("**MFT**") (Peavey and MFT, collectively with Peavey GP, TSC GP, Guys, and Peavey Industries, the "**Peavey Group**"). Further documents with respect to the CCAA Proceedings are available on the Monitor's website at <http://cfcanada.fticonsulting.com/Peavey/>
2. The Initial Order, among other things:
  - (a) Stayed all proceedings against the Peavey Group and their assets; and
  - (b) Appointed FTI Consulting Canada Inc. as the Monitor of the Peavey Group (in such capacity, the "**Monitor**").
3. Further to Peavey Group's restructuring efforts, Peavey Group will, under the supervision of the Monitor, conduct a process to solicit offers from buyers with respect to certain intellectual property assets exclusively owned by the Peavey Group, including all Canadian trademark rights in and to Peavey Mart, Mainstreet Hardware and associated private label brands, both as set out in **Schedule "B"** hereto and otherwise (collectively the "**Property**") (the "**Sale Process**").
4. Set forth below are the procedures (the "**Procedures**") to be followed with respect to the Sale Process to be undertaken to seek one or more Successful Bid(s) (as defined below), and if there are one or more Successful Bid(s), to complete the transaction(s) contemplated by the Successful Bid(s). The Procedures will be posted to the Monitor's website.

### **Defined Terms**

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

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

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

**"Related Party"** means any party that would be (a) a "Related Person" as defined in section 4(2) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, or (b) a party that by virtue of any person's

service as a director, officer or employee of any Peavey Group members has received or has access to non-public material information about the Peavey Group.

### **Solicitation Process and Timeline**

6. The Sale Process is intended to solicit interest in, and opportunities for acquisitions or assignments of Property (the “**Opportunity**”).

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

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

| <b>Milestone</b>   | <b>Deadline</b>   |
|--|-------------------|
| Commencement of Sale Process   | February 26, 2025 |
| Expression of Interest (“ <b>EOI</b> ”) Bid Deadline                   | March 14, 2025    |
| Selection of Successful EOI Bids                                       | March 21, 2025    |
| Completion of Binding Purchase and Sale Agreement (“ <b>PSA</b> ”) Bid | March 28, 2025    |
| Target for Court Approval and Closing Transaction                      | TBD               |

### **Solicitation of Interest: Notice of Sale Process**

9. As soon as reasonably practicable:

- (a) The Peavey Group, in consultation with the Monitor, will prepare a list of Potential Bidders, including parties that have advised Peavey Group and the Monitor, indicating an interest in the Opportunity (collectively, the “**Known Potential Bidders**”) and other parties who through the Peavey Group or the Monitor reasonably believe has such interest; and
- (b) The Monitor will prepare a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the procedures under the Sale Process and inviting recipients of the Teaser Letter to express their interest.

10. The Monitor will post information respecting the Opportunity on its website maintained for the CCAA Proceedings and provide notice of same to the service list.

11. In order to participate in the Sale Process, each person (a “**Potential Bidder**”) who expresses an interest in the Property shall receive access to the Teaser Letter and this Sale Process.

### **Sales Process**

12. All Potential Bidders who express interest and who act in accordance with these Procedures shall be deemed to be a qualified bidder (a “**Qualified Bidder**”) and will be promptly notified of such classification by the Peavey Group.

13. As noted, each Potential Bidder shall be provided with access to the Teaser Letter and this Sale Process, together with such further information as the Peavey Group may deem appropriate, in consultation with the Monitor. The Peavey Group shall allow each Potential Bidder such further access to confirmatory due diligence materials as the Peavey Group deems appropriate, in consultation with the Monitor. In such a case, the Peavey Group may require the Potential Bidder to execute a non-disclosure agreement in form and substance satisfactory to the Peavey Group, the Monitor and the Administrative Agent, and their respective counsel (an “**NDA**”). Neither the Peavey Group nor the Monitor make any representations or warranties as to the accuracy or completeness of any information furnished pursuant to these Procedures including, without limitation, the information contained in the Teaser Letter and any information provided pursuant to this paragraph.

14. A Potential Bidder that wishes to make an offer to purchase Property shall provide the Peavey Group with a non-binding EOI bid (an “**EOI Bid**”) at the address specified in **Schedule “A”** hereto so as to be received by each of them no later than 5:00 pm (Mountain Time) on March 14, 2025, or such other date or time as may be agreed to by the Peavey Group, in consultation with the Monitor (the “**EOI Bid Deadline**”). Such EOI Bid shall be a “**Qualified Offer**” only if it complies with all of the following:

- (a) it describes the terms and conditions of the proposed transaction, including identification of: (i) the Property proposed to be acquired; (ii) the liabilities of Peavey Group proposed to be assumed; (iii) the purchase price for the Property proposed to be acquired expressed in Canadian dollars (the “**Purchase Price**”); (iv) the effective date of the proposed transaction; and (v) the structure and financing of the proposed transaction;
- (b) it clearly identifies the form of consideration being proposed to satisfy the Purchase Price and estimated value of the consideration in Canadian dollars. The Peavey Group’s preference is for cash consideration;
- (c) if contemplating the purchase of any Property that is subject to a registered security interest, it clearly identifies the portion of the Purchase Price that is allocable to such Property;
- (d) it includes written evidence of a non-binding commitment for all required financing, or other evidence of the financial ability of such Qualified Bidder (including, for greater certainty, such Qualified Bidder’s designated purchaser(s), if any) to consummate the

proposed transaction, that will allow the Peavey Group to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction contemplated by its bid;

- (e) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents, information and/or the Property to be acquired and liabilities to be assumed in making its bid; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Property to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly provided in the EOI Bid; and (iii) the transaction will be completed on an "as is, where is" basis;
- (f) it does not include any request for or entitlement to any break or termination fee, expense reimbursement or similar type of payment;
- (g) it contains such other information as may reasonably be requested by the Peavey Group; and
- (h) it is received by the EOI Bid Deadline.

15. Subject to paragraph 20 herein, the Peavey Group, in consultation with the Monitor and the Administrative Agent, will assess the EOI Bids received by the EOI Bid Deadline, and, on or before March 21, 2025, will determine which of such bids constitute qualified offers ("**Qualified Offers**"). The Peavey Group may, in consultation with the Monitor and the Administrative Agent, waive compliance with any one or more of the requirements specified herein and deem such non-compliant bids to be Qualified Offers. The Peavey Group may, where it considers appropriate in its discretion, continue negotiations with one or more Qualified Bidders to agree on terms of the Successful Bid(s).

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

17. Qualified Bidders ("**PSA Qualified Bidders**") that wish to make a binding sale proposal shall submit to the Peavey Group at the address specified in Schedule "A" hereto a binding offer in the form of a purchase and sale agreement that it is prepared to execute ("**PSA Bid**"). Such PSA Bids must:

- (a) comply with the requirements for EOI Bids set out in Sections 14(a), 14(b), 14(c), 14(e), 14(f), and 14(g) herein;
- (b) include written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, including the timetable for obtaining financing;
- (c) not be conditional on the outcome of unperformed due diligence by the PSA Qualified Bidder;

- (d) include confirmation that all corporate approvals of the PSA Qualified Bidder have been obtained prior to submission of the PSA Bid;
- (e) identify any material conditions in favour of the buyer to be resolved prior to closing the transaction;
- (f) contemplate Court approval of a sale approval and vesting order (“**SAVO**”); and
- (g) be received by the PSA Bid Deadline

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

19. The Peavey Group will notify PSA Qualified Bidders if not selected as a Successful Bidder.

### **Related Parties**

20. A Related Party may become a Qualified Bidder or PSA Qualified Bidder where it meets the requirements of Sections 14 and 17, as applicable, subject to the following:

- (a) The determination of whether any party is a Related Party shall be undertaken only by the Monitor, in consultation with the Administrative Agent.
- (b) The evaluation of such a Related Party’s EOI Bid and, as applicable, PSA Bid, and determination of whether such Related Party is a Qualified Bidder and, as applicable, Successful Bidder, shall be undertaken only by the Monitor, in consultation with the Administrative Agent.
- (c) Any Related Party that is a Qualified Bidder and, as applicable, PSA Qualified Bidder, shall have no access to information about other EOI Bids or PSA Bids received in accordance with these Procedures.

### **Court Approval and Closing a Transaction**

21. The Peavey Group will promptly apply to the Court for a SAVO with respect to the Successful Bid(s). The SAVO application will be held on a date to be scheduled by the Peavey Group and confirmed by the Court upon application by the Peavey Group. The SAVO application may be adjourned or rescheduled by the Peavey Group without further notice, by an announcement of the adjourned date at the SAVO application or in a notice to the Peavey Group’s service list prior to the SAVO application.

22. As soon as practicable after the SAVO is received, the Peavey Group will work with the Successful Bidder(s) to close a transaction in respect of the Successful Bids.

### **“As Is, Where Is”**

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

including, without limitation, information contained in the Teaser Letter, except to the extent otherwise provided under a Definitive Agreement with a Successful Bidder executed and delivered by Peavey Group.

### **Supervision of the Sale Process**

24. The Peavey Group will participate in the Sale Process in the matter set out in this Sale Process and shall make decisions in consultation with the Monitor and, where applicable, the Administrative Agent.

25. The Peavey Group, in consultation with the Monitor, shall have the right to modify the Sale Process and deadlines set out herein if it believes, in its judgment and discretion, that such modification will enhance or better achieve the objectives of the Sale Process. Such modifications may include the consideration and acceptance of pre-emptive bids on the Property.

### **Free Of Any and All Claims and Interests**

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

### **No Obligation to Conclude a Transaction**

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

### **Further Orders**

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

**Schedule “A”: Contact Information**

Contact information for the Peavey Group is as follows:

**The Peavey Group**

7740 40 Ave  
Red Deer AB T4P

Attn: Karen Dilon

[karen.dilon@peaveyindustries.com](mailto:karen.dilon@peaveyindustries.com)

403.346.8991 x 1127

Contact information for the Monitor is as follows:

**FTI Consulting Canada Inc.**

520 5th Ave SW, Suite 1610  
Calgary, AB T2P 3R7

Attn: Patrick Kennedy

[patrick.kennedy@fticonsulting.com](mailto:patrick.kennedy@fticonsulting.com)

416.649.800



## Schedule "B": Description of Property

### IP Assets for Sale

#### Logos and Designs:



#### Other IP Assets: Names and Domains

- Peavey Mart
- [www.peaveymart.com](http://www.peaveymart.com)
- Down to Earth Retail
- Powered by Peavey
- Your Rural Lifestyle Store
- Hardware and a Whole Lot More
- The Incredible Country Hardware Store
- Rolling Acres (animal feed)
- Harvest Goodness
- Harvest Grade
- Harvest Gear
- OXGEAR
- Villager Hardware
- Country Depot
- Hard Working Canadians
- Get A Good Deal More
- Country Pro
- STÄRKMANN
- HomespACE