

## **Frequently Asked Questions - Customers**

### **1. What is the CCAA?**

- The Companies' Creditors Arrangement Act, or "CCAA" is a federal statute that enables companies to restructure their financial affairs and operations under the supervision of the Courts.
- As part of the CCAA proceedings, the Court grants a "stay of proceedings" in favour of the Company which prevents creditors from taking action against the Company, giving it the time and stability to enable it to restructure while continuing to operate.
- A monitor is appointed by the Court to oversee the restructuring and report periodically to the Court.

### **2. What is the Monitor?**

- The Monitor is an officer of the Court whose responsibilities include assisting the Company with its restructuring, reporting to the Court from time to time on the progress of the CCAA proceedings and, ultimately, providing a recommendation on any plan of arrangement or proposed sale. In this case, FTI Consulting has been appointed as Monitor.
- The Company will be giving its full co-operation to the Monitor.

### **3. Is the Company bankrupt?**

- No. Under Canadian insolvency and restructuring laws, "bankruptcy" is a specific type of proceeding under which an insolvent company's operations are terminated and its assets are sold or "liquidated" by a trustee in bankruptcy.
- The CCAA proceedings, amongst other things, prevents creditors from forcing the Company into bankruptcy. For this reason, CCAA proceedings are sometimes referred to as "bankruptcy protection".

### **4. Why did the Company file CCAA?**

- The Company's financial performance has been adversely affected by the recent downturn in the economy and it is experiencing significant financial losses. The Company believes that a restructuring under the CCAA is appropriate to deal with both its financing requirements and its operational concerns in an effort to protect the long-term viability of the Company.

### **5. What happens in a CCAA filing?**

- The Company is given time to develop and implement a strategy to restructure its business. Generally a business can be restructured by a sale of assets or through a "plan of arrangement" under which the financial and operational affairs of the Company are restructured through compromises with creditors. During that time, a "stay of proceedings" is in place to prevent creditors from taking actions that could destabilize the Company or force it into bankruptcy.

- Subject to the oversight of the Court, the Company remains in control of its business and operations and can take steps to complete its financial and operational restructuring and improve long-term viability.
- If a plan of arrangement has been developed, creditors are given the ability to vote on the plan. If it is approved by the creditors and the Court, the Company implements the plan and “emerges” from CCAA, as a continuing business, completing the process.

#### **6. How long will the CCAA proceeding take to complete?**

- At this time, it is not possible to say how long the proceedings will take to complete. However, as we have disclosed to the Court, we have signed an agreement that is expected to form the basis of our restructuring strategy, so we expect the proceedings to be relatively short.
- The Court has granted a stay of proceedings of 30 days, which is the maximum allowed by law on an initial application under the CCAA. The Company is entitled to request extensions of that time and these extensions are routinely granted as long as the Company continues to work in good faith towards a sale or restructuring.

#### **7. Who is now in charge of the Company?**

- The executive management team remains in control of the Company and its operations, subject to the specific requirements of the CCAA Orders.

#### **8. What does the filing mean for the Company’s operations?**

- Signature will continue to provide you with the same quality product and Signature service. Where possible we have already taken steps to move certain customers to our most modern facility in Pickering and you should not have noted any interruption or change to your products and services.
- Signature’s immediate parent has executed an agreement which will ensure; at a minimum, the continued operation of the Pickering facility, which has sufficient capacity to meet customer needs.
- We will also be undertaking a marketing process to determine if there is a potential buyer for the Company, while we review our financial and operational situation. Even if no third party buyer is identified, Signature has secured support for continued operations at at least one of its facilities, most likely the Pickering facility.
- We will continue to work with our customers to ensure a smooth transition during this process.
- Your sales contact and customer service reps should remain unchanged during the process and please do not hesitate to contact us if you have any questions or concerns.
- We will provide more details on the operational restructuring once plans have been finalized.
- Information about the marketing process can be found on the Monitor’s website at <http://cfcanada.fticonsulting.com/signature>

**9. Does the Company have sufficient financing to continue operations?**

- Yes. We have arranged for and the Court has approved “debtor in possession” or DIP financing to ensure we have sufficient cash to fund the Company’s operations during the restructuring process.

**10. What impact will the CCAA filing have on the products/services that I receive from you?**

- For the most part, it will be business as usual and nothing will change. Our intent is to continue to provide the usual high quality of service that you expect and deserve from us.

**11. Do I continue dealing with my existing contacts?**

- Yes, you should continue to deal with your regular contacts.

**12. How will I be kept informed of developments during the proceedings?**

- We will provide periodic updates on the progress of the restructuring and any key developments. In addition, Court materials, including Monitor’s reports, will be available on the internet at <http://cfcanda.fticonsulting.com/signature>.

**13. What do I do if I have other questions?**

- For every-day business questions, you should continue to speak to your usual contact person.
- For questions relating to the CCAA proceedings, you can call the Monitor at 905 427 6550 and select option 2 or 1 866 587-5780 and select option 2 or by email at [signature@fticonsulting.com](mailto:signature@fticonsulting.com).