

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C-44, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
CANWEST AEROSPACE INC. AND CAN WEST GLOBAL AIRPARTS INC.

PETITIONERS

PLAN OF COMPROMISE AND ARRANGEMENT

PURSUANT TO THE
COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA)

concerning, affecting and involving

CANWEST AEROSPACE INC. AND CAN WEST GLOBAL AIRPARTS INC.

May 4, 2023

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**PLAN OF COMPROMISE AND ARRANGEMENT
PURSUANT TO THE
COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA)**

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Plan, unless otherwise stated, the following words and phrases shall have the respective meanings set out below, and the grammatical variation of such words and phrases shall have corresponding meanings:

"Administration Charge" means the charge granted pursuant to paragraph 30 of the ARIO, as more particularly set out therein, in favour of the Monitor, counsel to the Monitor, and counsel to the Petitioners.

"ARIO" means the Amended and Restated Initial Order granted in the CCAA Proceedings on March 17, 2023, and as subsequently amended by further Orders of the Court, and as may be further amended, supplemented or varied by the Court.

"BCBCA" means the British Columbia *Business Corporations Act*, SBC 2002, c 57, as amended.

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

"Business Day" means a day, other than a Saturday, Sunday or statutory holiday, on which banks are generally open for business in Vancouver, British Columbia.

"CCAA" means the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended.

"CCAA Proceedings" means the proceedings commenced by the Petitioners on March 8, 2023 under the CCAA, being the British Columbia Supreme Court, Vancouver Registry Action No. S-231354.

"Claim" shall include any right or claim of any Person against the Petitioners, or either of them, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Petitioners owed to such Person, and any interest accrued thereon or costs payable in respect thereof, including any indebtedness, liability or obligation owed to such Person as a result of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property or assets or to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise) against any property or assets, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, not matured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim of contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or

obligation is based in whole or in part on facts existing prior to the Filing Date, and any Restructuring Claim. Notwithstanding the foregoing, "Claim" does not include anything that is not a "claim" as defined in the CCAA, and includes any indebtedness, liability or obligation of any kind that, if unsecured, would be a debt provable in bankruptcy within the meaning of the BIA.

"Claims Bar Date" means the date or dates by which all Creditors, as applicable, may file a Proof of Claim as set out in the Claims Process Order, or such other date as may be ordered by the Court.

"Claims Process Order" means the Order of the Court in the CCAA Proceedings made on May 4, 2023 establishing, among other things, procedures for filing and proving Claims.

"Conditions to Plan Implementation" means those conditions precedent to the implementation of the Plan set forth in Section 5.1 hereof.

"Contract" means any contract, agreement, lease, indenture, deed of trust, license, option, purchase order, employment or consulting contract, or other commitment or obligation in the nature of a contract, whether oral or written, express or implied.

"Court" means the Supreme Court of British Columbia.

"Creditor" means any Person having a Claim against any of the Petitioners other than an Unaffected Claim.

"Creditors Meeting" means the meeting of the Unsecured Creditors to be called and held pursuant to the Meeting and Process Order for the purpose of considering, and if thought fit, voting to approve the Plan, and the compromise and arrangement constituted hereunder, and any adjournment or postponement thereof.

"Creditors Meeting Date" means the date fixed for holding the Creditors Meeting under the Meeting and Process Order, or any date to which such meeting is adjourned or postponed pursuant thereto.

"Crown" means His Majesty in right of Canada or a province.

"Crown Claim" means any Claim of the Crown, for all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under:

- (a) subsection 224(1.2) of the Tax Act;
- (b) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the Tax Act and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, and the sum:

- (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Tax Act; or
- (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

"Customer Claim" means an Unsecured Creditor Claim by a customer of the Petitioners, or either of them, on account of deposits on sales orders and rebates, that is not a Restructuring Claim.

"Disputed Claim" means, with respect to a Claim, the amount of a Claim or such portion thereof against both of the Petitioners which has not yet been established as a Proven Claim, which is disputed and which is subject to adjudication in accordance with the Claims Process Order.

"Disputed Claims Reserve" means the reserve, if any, to be established and maintained by the Monitor, consisting of the Unsecured Creditor Distribution that would have been distributed in accordance with this Plan in respect of the Disputed Claims.

"Employee Priority Claim" means any of the following Claims of any employees and former employees of the Petitioners, or either of them:

- (a) Claims at least equal to the amounts that such employees and former employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Petitioners had become bankrupt on the Filing Date; and
- (b) Claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the date of the Sanction Order, together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the Petitioners' business during the same period.

"Filing Date" means March 8, 2023, being the date the CCAA Proceedings were commenced by the Petitioners.

"Governmental Entity" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"Initial Employee Priority Claims" means those Employee Priority Claims, if any, that are Proven Claims as of the date of the Sanction Order.

"Intercompany Claim" means any Claim of a Petitioner against the other Petitioner or of any wholly-owned, direct or indirect non-Petitioner subsidiary of a Petitioner against a Petitioner.

"Meeting and Process Order" means the Order of the Court dated May 4, 2023, setting the Creditors Meeting Date, approving the procedures for the Creditors Meeting, and authorizing the dissemination of the documents relating thereto.

"Monitor" means PricewaterhouseCoopers Inc., in its capacity as Court-appointed Monitor pursuant to the ARIO.

"Monitor's Certificate of Plan Implementation" means the certificate filed by the Monitor pursuant to Section 5.3, confirming that each of the Conditions to Plan Implementation have been satisfied or waived.

"Monitor's Final Certificate" means the certificate filed by the Monitor in the CCAA Proceedings confirming that distributions to Creditors have been made in accordance with this Plan.

"Monitor's Website" means <http://cfcanada.fticonsulting.com/CWA/>

"Order" means any order of the Court, or another court of competent jurisdiction, in these proceedings.

"Person" means any individual, partnership, limited partnership, corporation, company, limited liability company, joint venture, association, joint stock company, trust, unincorporated association or organization, Governmental Entity, or any other entity, whether or not having legal status.

"Petitioners" means Canwest Aerospace Inc. and Can West Global Airparts Inc.

"Plan" means this plan of compromise and arrangement, as may be amended, modified or supplemented from time to time in accordance with the terms hereof.

"Plan Implementation Date" means the date that is five (5) Business Days after the Monitor's Certificate of Plan Implementation is filed with the Court by the Monitor, or such other date as may be requested by the Petitioners and agreed to by the Monitor.

"Post-Filing Claim" means any Claim due to any Person for any goods or services supplied to the Petitioners subsequent to the Filing Date and/or for any taxes owing to a Governmental Entity arising subsequent to the Filing Date, but does not include any Restructuring Claim.

"Proceeds" means the proceeds of sale paid by the Purchaser to the Monitor, in trust, in the Share Purchase Transaction pursuant to the Share Purchase Agreement.

"Proof of Claim" means a proof of claim, in the form prescribed by the Claims Process Order, delivered to the Monitor in accordance with the terms of such Order.

"Proven Claim" means the aggregate amount of any and all Claims held by a Creditor against the Petitioners, which has been accepted by the Petitioners and the Monitor or finally determined in accordance with the provisions of this Plan and the Claims Process Order.

"Proven Creditor" means any Creditor having a Proven Claim in respect of and to the extent of such Proven Claim.

"Purchaser" means MAR ONE Aviation, L.L.C.

"Released Parties" means:

- (a) the Petitioners and their legal counsel in the CCAA Proceedings;
- (b) the Monitor and its legal counsel in the CCAA Proceedings;
- (c) all present and former directors, officers and employees of any of the Petitioners, in such capacities and not in any other capacity; and
- (d) any Persons claimed to be liable derivatively through any and all of the foregoing Persons.

"Required Majority" means the affirmative vote of:

- (a) a simple majority in number of those Unsecured Creditors with Proven Claims in the Unsecured Creditor Class who vote upon this Plan (in person or by proxy) at the Creditors Meeting;
- (b) a two-thirds majority in value of the Proven Claims of Unsecured Creditors in the Unsecured Creditor Class who vote upon this Plan (in person or by proxy) at the Creditors Meeting;
- (c) a simple majority in number of those Secured Creditors with Proven Claims in the Secured Creditor Class who vote upon this Plan (in person or by proxy) at the Creditors Meeting; and
- (d) a two-thirds majority in value of the Proven Claims of Secured Creditors in the Secured Creditor Class who vote upon this Plan (in person or by proxy) at the Creditors Meeting.

in accordance with the Meeting and Process Order.

"Restructuring Claim" means any right or Claim of any Person against the Petitioners (or either of them) in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Petitioners (or either of them) to such Person arising out of the restructuring, disclaimer, resiliation, termination, or breach on or after the Filing Date of any contract, employment agreement, lease or other agreement or arrangement, whether written or oral, and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of the Claims Process Order, and includes for greater certainty any right or claim of an employee of either of the Petitioners arising from a termination of their employment after the Filing Date; provided, however, that "Restructuring Claim" shall not include an Unaffected Claim.

"Restructuring Claims Bar Date" means the date or dates by which all Creditors, as applicable, may file a Proof of Claim for a Restructuring Claim as set out in the Claims Process Order, or such other date as may be ordered by the Court.

"Sanction Order" means an Order of the Court in the CCAA Proceedings to, among other things, sanction, authorize and approve this Plan.

"Secured Creditors" means Creditors with a secured Proven Claim against the Petitioners or either of them.

"Secured Creditor Claim" means any secured Proven Claim of a Secured Creditor.

"Secured Creditor Class" means the class of Creditors, for the purposes of considering and voting on the Plan, composed of the Secured Creditors.

"Secured Creditor Distribution" means the aggregate amount of the payments to be made to each Secured Creditor on a *pro rata* basis from the Proceeds remaining after payment of the Unsecured Creditor Distribution, the Claims secured by the Administration Charge, the Employee Priority Claims, the Post-Filing Claims, and the Crown Claims, if the Plan is approved by the Required Majority.

"Service List" means the service list maintained in the CCAA Proceedings and posted on the Monitor's Website.

"Share Purchase Agreement" means the share purchase agreement dated April 23, 2023 between Thomas Jackson and the Petitioners, as vendors, and the Purchaser, as purchaser, as approved by the Court in the Order granted in the CCAA Proceedings on April 24, 2023.

"Share Purchase Transaction" means the share purchase transaction contemplated by the Share Purchase Agreement whereby the Purchaser shall purchase the shares of the Petitioners for the Proceeds as the purchase price.

"Shareholder Interests" means:

- (a) shares in the capital of the Petitioners (or either of them); and
- (b) loans made by a shareholder or shareholders of the Petitioners (or either of them) to the Petitioners (or either of them).

"Subsequent Employee Priority Claims" means those Employee Priority Claims, if any, that are determined to be Proven Claims after the date of the Sanction Order;

"Tax Act" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).

"Unaffected Claim" means, subject to further Order of the Court:

- (c) any Post-Filing Claims;
- (d) any Employee Priority Claims;
- (e) any Crown Claims;
- (f) any Intercompany Claims;
- (g) any Customer Claims; and
- (h) any Claim in connection with any Shareholder Interests.

"Unsecured Creditors" means Creditors with a unsecured Proven Claim, except for any Creditor with an Unaffected Claim.

"Unsecured Creditor Claim" means any Proven Claim of an Unsecured Creditor.

"Unsecured Creditor Class" means the class of Creditors, for the purposes of considering and voting on the Plan, composed of the Unsecured Creditors.

"Unsecured Creditor Distribution" means the aggregate amount, not to exceed \$100,000, of the payments to be made from the Proceeds to each Unsecured Creditor in an amount equal to 10% of its Unsecured Creditor Claim pursuant to Subsection 3.2(b), if the Plan is approved by the Required Majority.

1.2 Accounting Terms.

All accounting terms not otherwise defined herein shall have the meaning ascribed to them in accordance with International Financial Reporting Standards as adopted by the Chartered Professional Accountants Canada.

1.3 Articles of Reference

The terms "hereof", "hereunder", "herein" and similar expressions refer to the Plan and not to any particular article, section, subsection, clause or paragraph of the Plan and include any agreements supplemental hereto. In the Plan, a reference to an article, section, subsection, clause or paragraph shall, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Plan.

1.4 Interpretation Not Affected by Headings

The division of the Plan into articles, sections, subsections, clauses and paragraphs and the insertion of a table of contents and headings are for convenience of reference only and shall not affect the construction or interpretation of the Plan.

1.5 Date for Any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.6 Time

All times expressed herein are local time in Vancouver, British Columbia, Canada unless otherwise stipulated.

1.7 Definitions in the CCAA

A word or words with initial capitalized letters used herein and not defined herein but defined in the CCAA shall have the meaning ascribed thereto in the CCAA as of the date hereof unless the context otherwise requires.

1.8 Number, Etc.

In the Plan, where the context requires, a word importing the singular number shall include the plural and vice versa; a word or words importing gender shall include all genders and the words "including" and "includes" mean "including (or includes) without limitation".

1.9 Currency

All references to amounts of money mean lawful currency of Canada, unless otherwise stated.

1.10 Statutory References

Except as provided herein, any reference in the Plan to a statute includes all regulations and rules made thereunder, all amendments to such statute, regulation or rules in force from time to time, and any statute, regulation or rule that supplements or supersedes such statute or regulation.

1.11 Governing Law

The Plan shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the federal Laws of Canada applicable therein. All questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan shall be subject to the exclusive jurisdiction of the Court.

ARTICLE 2 PURPOSE AND EFFECT OF PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise of Claims to enable the Petitioners' businesses to continue, and to maximize the recovery of the Secured Creditors and Unsecured Creditors. Ensuring the continuance of the Petitioners' businesses will significantly benefit all stakeholders, including the Petitioners' employees, trade suppliers, existing shareholders, and the communities in which the Petitioners operate. The successful implementation of the Plan will provide greater benefits to all Persons with an economic interest in the Petitioners than would result from the bankruptcy of the Petitioners.

2.2 Unsecured Creditors

The Plan applies to every Unsecured Creditor Claim and on the Plan Implementation Date, the Plan will be binding on each Petitioner and all Unsecured Creditors to the extent of their Unsecured Creditor Claims.

2.3 Secured Creditors

The Plan applies to every Secured Creditor Claim and on the Plan Implementation Date, the Plan will be binding on each Petitioner and all Secured Creditors to the extent of their Secured Creditor Claims.

2.4 Unaffected Claims

Holders of Unaffected Claims will not be affected, to the extent of their Unaffected Claims, by the compromises set out in the Plan.

ARTICLE 3 UNSECURED CREDITOR CLASS AND TREATMENT OF UNSECURED CREDITORS

3.1 Creditor Classes

For the purposes of considering, voting on, and receiving distributions under this Plan, there shall be two classes of Creditors, being the Unsecured Creditor Class and the Secured Creditor Class.

3.2 Treatment of Unsecured Creditors

If the Plan is approved by the Required Majority, the obligations of the Petitioners to the Unsecured Creditors shall be settled, compromised, extinguished and released pursuant to this Plan as follows:

- (a) Within five (5) days following the Plan Implementation Date, the Purchaser shall pay the Proceeds to the Monitor;
- (b) Within 14 days of the Plan Implementation Date, the Monitor shall distribute to each Unsecured Creditor, from the Unsecured Creditor Distribution, the amount equal to 10% of its Unsecured Creditor Claim, such Unsecured Creditor Distribution not to exceed an aggregate amount of \$100,000;
- (c) Within five (5) Business Days after receipt from the Monitor of funds from the Disputed Claims Reserve in respect of any Subsequent Employee Priority Claim, the Petitioners shall pay any Subsequent Employee Priority Claims;
- (d) Within five (5) Business Days following the determination of any Disputed Claim or portion thereof as a Proven Claim in accordance with the Claims Process Order, the Monitor shall make the distribution on account of such Proven Claim from the Disputed Claims Reserve;

the payments and distributions in Subsections 3.2(b) and (d) being in full and final settlement of the Unsecured Creditor Claims.

3.3 Treatment of Secured Creditors

If the Plan is approved by the Required Majority, the obligations of the Petitioners to the Secured Creditors shall be settled, compromised, extinguished and released pursuant to this Plan when, following payment of the Unsecured Creditor Distribution, the Claims secured by the Administration Charge, the Employee Priority Claims, the Post-Filing Claims, and the Crown Claims, the Monitor shall distribute to each Secured Creditor, from the Secured Creditor Distribution, the amount equal to the *pro rata* portion of its Secured Creditor Claim. The payments referred to in this section shall be in full and final settlement of the Secured Creditor Claims.

3.4 Unaffected Claims

Unaffected Claims shall not be compromised under the Plan and nothing in the Plan shall affect the Petitioners' rights and defenses with respect to any Unaffected Claim. No Creditor shall be:

- (i) entitled to attend or vote in respect of its Unaffected Claim at any Creditors Meeting; or
- (ii) entitled to receive any distribution or consideration under this Plan in respect of such Unaffected Claim.

ARTICLE 4 DETERMINATION OF CLAIMS, VOTING CLAIMS AND RELATED MATTERS

4.1 Determination of Claims

The determination of the validity and quantum of any Claim shall be made in accordance with the procedures set forth in the Claims Process Order or by way of agreement among the Petitioners, the Monitor and the Creditor having such Claim or by determination by the Court.

4.2 Failure to File Proofs of Claim Prior to Claims Bar Date or Restructuring Claim Bar Date

If a Creditor has not filed a Proof of Claim with the Monitor prior to the applicable Claims Bar Date, Restructuring Claims Bar Date or such later date as authorized by the Court, such Creditor shall be forever barred from participating in this Plan, shall have no right to vote in respect of this Plan and shall not be entitled to receive any amounts payable under this Plan, and the Petitioners shall be forever released from any and all Claims of, or liabilities or obligations to, such Creditor.

4.3 Creditors Meeting

The Monitor will call the Creditors Meeting and convene and hold the same on the Creditors Meeting Date, in accordance with the terms of this Plan and the Meeting and Process Order.

4.4 Voting and Approval by Unsecured Creditors

Subject to Section 4.5 of this Plan and the provisions of the Meeting and Process Order, each Unsecured Creditor with an Unsecured Creditor Claim shall be entitled to attend and vote as part of the Unsecured Creditor Class at the Creditors Meeting.

Subject to Section 4.5 of this Plan and the provisions of the Meeting and Process Order, each Secured Creditor with a Secured Creditor Claim shall be entitled to attend and vote as part of the Secured Creditor Class at the Creditors Meeting.

In order to be approved, the Plan must receive an affirmative vote, in accordance with the provisions of the Meeting and Process Order, by the Required Majority.

Except for any resolution to be voted on at the Creditors Meeting to approve, amend or vary this Plan, which will be decided by the Required Majority by ballot, every question submitted to a vote at the Creditors Meeting will be decided, as follows:

- (a) If with respect to the Unsecured Creditor Class, by a majority in value of the Unsecured Creditor Claims, and the result of any vote will be binding on all Unsecured Creditors whether or not any such Unsecured Creditor is present and voting (in person or by proxy) at the Creditors Meeting;
- (b) If with respect to the Secured Creditor Class, by a majority in value of the Secured Creditor Claims, and the result of any vote will be binding on all Secured Creditors whether or not any such Secured Creditor is present and voting (in person or by proxy) at the Creditors Meeting; and
- (c) If with respect to both the Unsecured and the Secured Creditor Classes, by a majority in value of the Proven Claims, and the result of any vote will be binding on all Proven Creditors whether or not any such Proven Creditor is present and voting (in person or by proxy) at the Creditors Meeting.

The Monitor shall have the authority to:

- (d) determine whether or not any question to be submitted to a vote at the Creditors Meeting under paragraphs (a), (b), or (c) above are with respect to the Unsecured Creditor Class, the Secured Creditor Class, or both; and
- (e) adjourn the Creditors Meeting without a vote.

4.5 Voting by Creditors with Disputed Claims

Creditors with Disputed Claims shall be entitled to attend the Creditors Meeting and cast a vote in respect of the Plan up to the value of their Disputed Claim. The Monitor shall keep a separate record and tabulation of any votes cast in respect of Disputed Claims. The Monitor shall report the result of the vote and the tabulation of votes of Proven Claims and Disputed Claims to the Court and, if the decision by Unsecured Creditors whether to approve or reject the Plan is affected by the votes cast in respect of the Disputed Claims, the Petitioners shall seek direction from the Court in respect thereof. The fact that a Disputed Claim is allowed for voting purposes shall not preclude the Petitioners or the Monitor from disputing the Disputed Claim for distribution purposes.

4.6 Extinguishment of Claims

As of and from the date of filing of the Monitor's Final Certificate and in accordance with the provisions of the Sanction Order, the treatment of Proven Claims and Disputed Claims under the Plan shall be final and binding on the Petitioners and all Unsecured Creditors and Secured Creditors (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and all Unsecured Creditor Claims and Secured Creditor Claims shall be released and discharged as against the Petitioners and the Petitioners shall thereupon be released from all Unsecured Creditor Claims and Secured Creditor Claims, other than the obligations of the Petitioners to make payments in the manner and to the extent provided for in the Plan; *provided, however*, that such discharge and release shall be without prejudice to the right of a holder of a Disputed Claim to prove such Disputed Claim so that such

Disputed Claim becomes a Proven Claim entitled to receive consideration under Section 6.2 hereof.

4.7 Crown Claims

All Crown Claims in respect of all amounts that were outstanding at the Filing Date shall be paid in full to the Crown from the Proceeds within six months of the Sanction Order, as required by subsection 6(3) of the CCAA.

4.8 Payments to Employees

Immediately after the date of the Sanction Order, the Petitioners will pay in full all Initial Employee Priority Claims, if any, to its employees and former employees as required by subsection 6(5) of the CCAA and other applicable legislation.

4.9 Payment of Administration Expenses

On the Plan Implementation Date, all outstanding fees and disbursements payable pursuant to the Administration Charge shall not be in arrears.

4.10 Administration Charge

The Administration Charge as provided for in the ARIO shall continue in effect until such time as the CCAA Proceedings are terminated and all obligations secured thereby are paid in full or as may be otherwise secured. Immediately before payment of the Secured Creditor Distribution, the Monitor shall pay out from the Proceeds all Claims secured by the Administration Charge.

ARTICLE 5 CONDITIONS TO PLAN IMPLEMENTATION

5.1 Conditions to Plan Implementation

The implementation of and effectiveness of this Plan is subject to the satisfaction or waiver on or before the Plan Implementation Date of the following Conditions to Plan Implementation:

- (a) approval of this Plan by the Required Majority of as set out in Article 4;
- (b) the granting of the Sanction Order on the terms as contemplated by this Plan or such other terms as are satisfactory to the Petitioners; and
- (c) the closing of the Share Purchase Transaction.

5.2 Waiver of Conditions

Any Condition to Plan Implementation other than any statutory requirements regarding the voting, approval and sanctioning of the Plan pursuant to the provisions of the CCAA may only be waived in whole or in part, by the Petitioners, with the prior written consent of the Monitor.

5.3 Monitor's Certificate of Plan Implementation

Upon being advised in writing by counsel for the Petitioners that the Conditions to Plan Implementation have been satisfied or waived in accordance with Section 5.2 hereof and that the Plan is capable of being implemented, the Monitor shall file with the Court a certificate stating that all Conditions to Plan Implementation have been satisfied or waived in accordance with the Plan and that the Plan is capable of being implemented forthwith.

5.4 Failure to Satisfy Conditions to Plan Implementation

If the Conditions to Plan Implementation are not satisfied or waived in accordance with Section 5.2 hereof on or before the day which is 15 days after the date on which the Sanction Order is issued or such later date as may be specified by the Petitioners, with the consent of the Monitor or by order of the Court, the Plan shall not be implemented and the Plan and the Sanction Order shall cease to have any further force or effect.

ARTICLE 6 IMPLEMENTATION OF PLAN

6.1 Delivery and Allocation Procedures

Subject to Disputed Claims, the payments to the Unsecured Creditors to be made pursuant to this Plan shall be distributed in accordance with Section 3.2 and the payments to the Secured Creditors shall be distributed in accordance with Section 3.3.

6.2 Disputed Claims

Notwithstanding any other provision of this Plan, no payments or distributions shall be made with respect to all or any portion of a Disputed Claim held by any Creditor or any Disputed Claim that is an Employee Priority Claim unless and until such Disputed Claim has become a Proven Claim in accordance with the provisions of the Claims Process Order.

Within five (5) Business Days of the determination of a Disputed Claim or a portion thereof that is an Employee Priority Claim as a Proven Claim, the Monitor shall deliver to the Petitioners the amount from the Disputed Claims Reserve in respect of such Proven Claim, and the Petitioners shall make the distribution in accordance with Subsection 3.2(c).

Within five (5) Business Days of the determination of a Disputed Claim or a portion thereof as an Unsecured Creditor Claim, the Monitor shall make the distributions in respect of such Unsecured Creditor Claim in accordance with Subsection 3.2(d).

Within five (5) Business Days of the determination of a Disputed Claim or a portion thereof as a Secured Creditor Claim, the Monitor shall make the distributions in respect of such Secured Creditor Claim in accordance with Subsection 3.3.

6.3 Withholding Rights

Notwithstanding any other provision of the Plan, each Creditor that is to receive a payment pursuant to the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any taxes or tax obligations imposed by any Governmental Entity (including income, withholding and other tax obligations on account of such distribution).

6.4 Proposed Timeline

The Petitioners shall use all reasonable commercial efforts to fulfil each of the Conditions to Plan Implementation and to implement this Plan in accordance with the following timetable. The following timetable is, however, subject to change, provided that if any such change is inconsistent with any of the provision of the Plan, it will be made in accordance with the provisions of Article 7.

	Events	Anticipated Dates	Defined Dates
1.	Application to Court for Meeting and Process Order authorizing and approving filing of the Plan and holding of Creditors Meeting	May 4, 2023	–
2.	Claims Filing Deadline	June 3, 2023 at 5:00 p.m. (Vancouver time)	
3.	Proxy Deadline	June 12, 2023 at 5:00 p.m. (Vancouver time)	
4.	Holding of Creditors Meeting	June 13, 2023	Creditors Meeting Date
5.	Hearing of Application for Sanction Order	On or before June 19, 2023	–
6.	Implementation of the Plan	Five (5) Business Days after filing of the Monitor's Certificate of Plan Implementation	Plan Implementation Date
7.	Distribution to Unsecured Creditors	Within 14 days of the Plan Implementation Date	–
8.	Resolution of Disputed Claims and Distribution, if any, to Creditors with Disputed Claims	In accordance with Section 6.2	–
9.	Distribution to Secured Creditors	in accordance with Section 3.3	
10.	Filing of Monitor's Final Certificate	As soon as above is completed	–

**ARTICLE 7
MODIFICATION AND WITHDRAWAL**

7.1 Modification of Plan

- (a) The Petitioners reserve the right to amend, restate, modify and/or supplement this Plan at any time and from time to time, provided that (except as provided in subsection (c) below) any such amendment, restatement, modification or supplement must be contained in a written document that is:
 - (i) filed with the Court and, if made following the Creditors Meeting, approved by the Court; and
 - (ii) approved by the Monitor and communicated to the Creditors in the manner required by the Court (if so required):
 - (A) if made prior to or at the Creditors Meeting:
 - (I) the Petitioners shall communicate the details of any such amendment, restatement, modification and/or supplement to the Creditors and other Persons present at the Creditors Meeting prior to any vote being taken at the Creditors Meeting;
 - (II) the Petitioners shall provide notice to the Service List of any such amendment, restatement, modification and/or supplement and shall file a copy thereof with the Court forthwith and in any event prior to the Court hearing in respect of the Sanction Order; and
 - (III) the Monitor shall post an electronic copy of such amendment, restatement, modification and/or supplement on the Monitor's Website forthwith and in any event prior to the Court hearing in respect of the Sanction Order; and
 - (B) if made following the Creditors Meeting:
 - (I) the Petitioners shall provide notice to the Service List of any such amendment, restatement, modification and/or supplement and shall file a copy thereof with the Court;
 - (II) the Monitor shall post an electronic copy of such amendment, restatement, modification and/or supplement on the Monitor's Website; and
 - (III) such amendment, restatement, modification and/or supplement shall require the approval of the Court following notice to the Service List.
- (b) Any amendment, modification or supplement to this Plan may be made following the Creditors Meeting by the Petitioners, with the consent of the Monitor, without

requiring filing with, or approval of, the Court, provided that it concerns a matter which is of an administrative nature and is required to better give effect to the implementation of this Plan and is not adverse to the financial or economic interests of any of the Unsecured Creditors or Secured Creditors.

7.2 Revocation, Withdrawal or Non-Consummation

The Petitioners reserve the right to revoke or withdraw this Plan at any time prior to the Plan Implementation Date and to file subsequent plans of reorganization or arrangement. If the Petitioners revoke or withdraw this Plan or if the Sanction Order is not made, (a) this Plan shall be null and void in all respects, (b) any Claim, any settlement or compromise embodied in this Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination, repudiation of executory contracts or leases effected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void and (c) nothing contained in this Plan, and no act taken in preparation for consummation of this Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Petitioners or any other Person; (ii) prejudice in any manner the rights of the Petitioners or any Person in any further proceedings involving the Petitioners; or (iii) constitute an admission of any sort by the Petitioners or any other Person.

ARTICLE 8 SANCTION ORDER

8.1 Application for Sanction Order

As soon as reasonably practicable following the approval of the Plan by the Required Majority, the Petitioners shall bring an application seeking the Sanction Order for prompt hearing by the Court and in accordance with the timeline set forth in Section 6.4 of this Plan.

8.2 Terms of the Sanction Order

In addition to approving and sanctioning the Plan, and subject to the discretion of the Court, the Sanction Order shall, among other things and without limitation:

- (a) declare that the Plan and transactions contemplated thereby are procedurally and substantively fair and reasonable to the Unsecured Creditors and the Secured Creditors;
- (b) declare that the Plan has been approved by the Required Majority in conformity with the CCAA;
- (c) declare that the Court is satisfied that the Petitioners have complied with the provisions of the CCAA and the Orders made in the CCAA Proceedings in all respects;
- (d) direct and authorize the Petitioners and the Monitor to fulfill their obligations under the Plan, including to complete the transactions and distributions contemplated under the Plan;

- (e) confirm the effect of the Claims Process Order, including, without limitation, the effect of the Claims Bar Date or Restructuring Claims Bar Date, and the releases, waivers, injunctions and prohibitions provided thereunder;
- (f) confirm the effect of the Meeting and Process Order;
- (g) declare that the arrangements effected by this Plan are approved, binding and effective upon the Petitioners, all Creditors, and any other Persons affected by this Plan, and release and discharge the Petitioners from any and all obligations, liabilities and indebtedness, as and to the extent provided for in this Plan;
- (h) release and discharge the Released Parties from any and all Claims subject to and in accordance with Article 9.2(b) of this Plan and stay any and all steps or proceedings, including administrative orders, declarations or assessments commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any and all past, present and future directors, officers and employees of the Petitioners (in those capacities in respect of all Claims) and discharge all past and present directors, officers and employees of the Petitioners from any liability with respect to all Claims (including Claims against such directors, officers and employees of the Petitioners pursuant to any guarantees of the Petitioners from any of them), all to the extent provided for in this Plan;
- (i) confirm and give effect to the releases, waivers, permanent injunctions and other provisions contemplated by this Plan;
- (j) declare that the stay of proceedings under the ARIO shall continue until the CCAA Proceedings are terminated by Order of the Court; and
- (k) confirm that the Administration Charge as provided in the ARIO shall continue in effect until such time as the CCAA Proceedings are terminated and all obligations secured thereby are paid in full or as may be otherwise secured, satisfied or arranged.

ARTICLE 9 EFFECT OF THE PLAN

9.1 Binding Effect of the Plan

The Plan (including, without limitation, the releases and injunctions contained herein), upon being sanctioned and approved by the Court pursuant to the Sanction Order shall be binding as of the date of the Sanction Order on all Persons irrespective of the jurisdiction in which the Persons reside or in which the Claims arose and shall, upon filing of the Monitor's Final Certificate, constitute:

- (a) a full, final and absolute settlement of all rights of the Unsecured Creditors and the Secured Creditors; and
- (b) an absolute release, satisfaction and discharge of all Claims, indebtedness, liabilities and obligations of the Petitioners except for the Unaffected Claims.

9.2 Consents, Waivers and Agreements

From and after the filing of the Monitor's Final Certificate, each Creditor and other Persons shall be deemed to have consented and to have agreed to all of the provisions of the Plan in its entirety. In particular, each Creditor and other Person shall be deemed:

- (a) to have executed and delivered to the Monitor and the Petitioners all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (b) to have waived any and all defaults then existing or previously committed by the Petitioners in any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, agreement, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto, existing between any such Creditor or other Person and the Petitioners and any and all notices of default and demands for payment under any instrument, including without limitation any guaranty of a director of the Petitioners, shall be deemed to have been rescinded.

9.3 Releases

As of and from the date of filing of the Monitor's Final Certificate, the Released Parties shall be released and discharged from any and all demands, claims, liabilities, obligations, causes of action, damages, executions or other recoveries, known or unknown, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of filing of the Monitor's Final Certificate, relating to, arising out of, or in connection with Claims, the business and affairs of the Petitioners, the Share Purchase Agreement, this Plan, the CCAA Proceedings, and any proceedings commenced with respect to or in connection with the Plan, to the full extent permitted by law, and all claims arising out of such actions or omissions shall be forever waived and released, provided that nothing here:

- (a) shall release or discharge a Released Party from an Unaffected Claim or from a Claim which cannot be compromised under the CCAA;
- (b) shall affect the rights of any Person to recover indemnity from any insurance coverage under which that Person is an insured;
- (c) shall release or discharge present or former directors of the Petitioners with respect to matters set out in subsection 5.1(2) of the CCAA; or
- (d) shall release or discharge a Released Party if the Released Party is determined by an Order of the Court to have committed wilful misconduct or fraud,

and provided further, however, that notwithstanding any foregoing releases under the Plan, any Claim asserted against the Petitioners shall remain subject to any right of set off that otherwise would be available to the Released Parties in the absence of such releases.

9.4 Exculpation

To the extent permitted under applicable law, the Released Parties shall not have or incur any liability for any act or omission in connection with, related to, or arising out of the CCAA Proceedings, the formulation, preparation, dissemination, negotiation or filing of the Plan and any contract, instrument, release or other agreement or document created or entered into in connection with the Plan or related meeting materials, the pursuit of sanctioning the Plan, the consummation, administration or implementation of the Plan, or the property to be distributed under the Plan; *provided, however*, that this Section 9.4 shall not include any act or omission that is determined by an Order of the Court to have constituted gross negligence, wilful misconduct or fraud.

9.5 Injunction

All Creditors and other Persons, along with their respective affiliates, present and former officers, directors, employees, associate individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnities, agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed and enjoined with respect to Claims against the Released Parties, from:

- (a) commencing, conducting or continuing in any manner, directly or indirectly, any actions, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties;
- (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property;
- (c) commencing, conducting or continuing in any manner, directly or indirectly, any actions, suits or demands, including without limitation by way of contribution or indemnity or other relief, in law or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim in any manner or forum, against one or more of the Released Parties;
- (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind; or
- (e) taking any actions to interfere with the implementation or consummation of the Plan or the transactions contemplated herein.

This Section 9.5 does not apply to any Unaffected Claims or to the enforcement of any obligations under the Plan.

9.6 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings and the Monitor will not be responsible or liable for any obligations of the Petitioners hereunder. The

Monitor will have only those powers granted to it by this Plan, by the CCAA and by any Order of the Court in the CCAA Proceedings, including the ARIO. The Monitor shall be under no obligation to make any distribution contemplated under this Plan unless and until it has been provided with sufficient funds to do so by the Petitioners.

ARTICLE 10 GENERAL

10.1 Paramountcy

From and after the date of the Sanction Order, if there is any conflict between any provision(s) of the Plan or Sanction Order and any provision of any other contract, document, agreement or arrangement, written or oral, between any Creditor and any Petitioner in existence on the Plan Implementation Date, the provision(s) of the Plan and Sanction Order shall govern.

10.2 Severability

If, on the hearing of the application for the Sanction Order, any term or provision of the Plan is held by the Court to be invalid, void, or unenforceable, the Court, at the request of the Petitioners, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Sanction Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable.

10.3 Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, trustee, administrator, or successor or assign of such Person.

10.4 Further Assurances

Notwithstanding that the events set out in the Plan shall occur and be deemed to occur in the order set out herein without any other additional act or formality, each of the Persons affected hereby shall make, do and execute, or cause to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by the Petitioners in order to better implement the Plan.

10.5 Entire Agreement

Except as otherwise indicated, upon the Plan Implementation Date, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

10.6 Exhibits and Related Documents

All schedules, exhibits and documents filed in relation to the Plan are incorporated into and are a part of the Plan as if set forth in full in the Plan.

10.7 Notices

Any notices or communication to be made or given hereunder shall be in writing and shall reflect this Plan and may, subject as hereinafter provided, be made or given by the Person making or giving it or by any agent of such Person authorized for that purpose by personal delivery, by prepaid mail or by e-mail addressed to the respective parties as follows:

(a) if to the Petitioners:

Canwest Aerospace Inc. and Can West Global Airparts Inc.

Attention: Thomas Jackson and Tara Lundy
Email: tomj@canwestaerospace.com and
taral@canwestaerospace.com

with copies (which shall not constitute notice) to:

Clark Wilson LLP
900-885 West Georgia Street
Vancouver, BC V6C 3H1

Attention: Christopher J. Ramsay and Katie G. Mak
Email: cramsay@cwilson.com and kmak@cwilson.com

(b) if to the Monitor:

FTI Consulting Canada Inc.
1450-701 West Georgia Street
Vancouver, BC V7Y 1B6

Attention: Craig Munro
Email: Craig.Munro@fticonsulting.com

with copies (which shall not constitute notice) to:

DLA Piper (Canada) LLP
2800-666 Burrard Street
Vancouver, BC V6C 2Z7

Attention: Colin Brousson
Email: colin.brousson@dlapiper.com

Any notice given by delivery, mail, e-mail, or courier shall be effective when received.

DATED at Vancouver, British Columbia, as of May 4, 2023.