

## AMENDED AND RESTATED SALE AND INVESTOR SOLICITATION PROCEDURES

**Bloom Lake General Partner Limited, Quinto Mining Corporation, 8568391 Canada Limited, Cliffs Québec Iron Mining ULC (formerly, Cliffs Québec Iron Mining Limited), Bloom Lake Railway Company Limited and The Bloom Lake Iron Ore Mine Limited Partnership, ~~together with~~ Wabush Iron Co. Limited, Wabush Resources Inc., Wabush Mines, Arnaud Railway Company and Wabush Lake Railway Company, Limited**

### Recitals

- A. On January 27, 2015 Bloom Lake General Partner Limited, Quinto Mining Corporation, 8568391 Canada Limited and Cliffs Québec Iron Mining ULC (formerly, Cliffs Québec Iron Mining Limited), as petitioners, and The Bloom Lake Iron Ore Mine Limited Partnership and Bloom Lake Railway Company Limited, as mises-en-cause (collectively, the “~~Petitioners~~”) filed for and Bloom Lake CCAA Parties”), obtained protection from their creditors under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the “CCAA”) under Court File No. 500-11-048114-157 (such proceedings, the “CCAA Proceedings”) pursuant to the provisions of an order (as it may be amended, restated or supplemented from time to time, the “Bloom Lake Initial Order”) of the Québec Superior Court (Commercial Division) in the District of Montréal (the “**Court**”).
- B. ~~The relief granted to the Petitioners under the Initial Order was extended to The Bloom Lake Iron Ore Mine Limited Partnership and Bloom Lake Railway Company Limited as mises-en-cause (such entities, together with the Petitioners and any other entities that may be added from time to time as petitioners or mises-en-cause with the same protections in the CCAA Proceedings, collectively, the “CCAA Parties”).~~ On May 20, 2015 and Wabush Iron Co. Limited and Wabush Resources Inc., as petitioners, and Wabush Mines, Arnaud Railway Company and Wabush Lake Railway Company Limited, as mises-en-cause, (such entities, together with the Bloom Lake CCAA Parties, collectively, the “Companies”) obtained protection from their creditors in the CCAA Proceedings pursuant to the provisions of an order of the Court (as it may be amended, restated or supplemented from time to time, the “Wabush Initial Order”).

- C. Pursuant to the [Bloom Lake Initial Order and Wabush](#) Initial Order, FTI Consulting Canada Inc. was appointed as monitor (in its capacity as monitor and not in its personal or corporate capacity, the “**Monitor**”) [of the Companies](#) during the CCAA Proceedings.
- D. Pursuant to an order of the Court dated ~~F.~~ [April 17](#), 2015 (as it may be amended, restated or supplemented from time to time, the “**SISP Approval Order**”), the Court approved a sale and investor solicitation process to be continued in respect of the Companies, in accordance with the procedures, terms and conditions set out herein (as such process may be amended, restated or supplemented pursuant to the terms herein, the “**SISP**”).
- [E.](#) [Pursuant to an order of the Court dated June 9, 2015, this amended and restated SISP was approved by the Court.](#)
- [E.](#) ~~E.~~ The property that is available for sale pursuant to the SISP (collectively, the “**Property**”) is comprised of all property, assets and undertaking of the ~~CCAA Parties and Wabush Iron Co. Limited, Wabush Resources Inc., Arnaud Railway Company and Wabush Lake Railway Company, Limited (the “Non-CCAA Parties” and together with the CCAA Parties, collectively, the “Companies”)~~ [Companies](#), all as more particularly described in the Teaser and Summary of Businesses.
- [G.](#) ~~F.~~ The businesses in which an investment may be made pursuant to the SISP (collectively, the “**Businesses**”) are the Bloom Lake Business, the Wabush Mine Business and the Port Business.
- [H.](#) ~~G.~~ For greater certainty, the Property and Businesses available for sale or investment pursuant to the SISP do not include the Chromite Business or any property, assets or undertaking of the Companies related to such business.
- [I.](#) ~~H.~~ This SISP describes, among other things:
- i. the manner in which the opportunity to purchase some or all of the Property, or invest in one or more of the Businesses through a Plan sponsorship, can be obtained;

- ii. the manner in which Prospective Bidders may gain access to or continue to have access to due diligence materials concerning the Property, the Companies and the Businesses and timelines applicable thereto;
- iii. the manner and timelines in which Prospective Bidders may submit an LOI for all or substantially all of the Property or any part thereof, and the required content of an LOI;
- iv. the manner and timelines in which Qualified Phase I Bidders may submit a Qualified Bid and the required content of a Qualified Bid;
- v. the manner in which an Auction or Auctions may be held in the event that more than one Qualified Bid is received in accordance with the SISP;
- vi. the process and criteria for the ultimate selection of one or more Successful Bids; and
- vii. the process for approval of one or more Successful Bids by the Court.

1. ~~The~~ SISP Approval Order, the SISP, and any other orders of the Court made in the CCAA Proceedings relating to the SISP shall exclusively govern the process for soliciting and selecting bids for the sale of some or all of the Property or investments in the Businesses or any part thereof. An investment in the Businesses may involve, among other things, a restructuring, recapitalization, or other form of reorganization of the business and affairs of the Companies or any part thereof, and such investment may be consummated pursuant to a plan of compromise or arrangement (a “**Plan**”) or otherwise.

K. ~~J.~~ Unless otherwise indicated herein, any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

### **Defined Terms**

1. All capitalized terms used herein shall have the meanings given to them in Appendix “A” hereto.

### **Conduct of the SISP**

2. Conduct of SISP. The SISP will be carried out by the Companies, with the assistance of, and in consultation with, the Sale Advisor and the Monitor. The Companies, the Sale Advisor and the Monitor are fully and exclusively authorized, empowered and directed to take any and all actions and steps pursuant to the SISP.

3. Advice and Directions. If it is determined at any time by the ~~CCAA Parties~~ Companies, in consultation with the Sale Advisor and the Monitor, that it may not be in the best interests of the ~~CCAA Parties~~ Companies to continue with the SISP with respect to one or more of the Businesses, the ~~CCAA Parties~~ Companies shall as soon as reasonably practicable file a motion with the Court seeking advice and directions with the respect to the modification, suspension or termination of the SISP in respect of the applicable Businesses, on notice to the Service List. ~~A Non-CCAA Party may terminate its participation in the SISP at any time.~~

4. Consultation and Retention of Agents and Consultants. At any time during the SISP, the ~~CCAA Parties~~ Companies may from time to time (a) consult with the Sale Advisor and the Monitor and such other parties as the ~~CCAA Parties~~ Companies consider appropriate in respect of the conduct of the SISP, (b) with the consent of the Monitor or approval of the Court, retain such agents, consultants or brokers as they consider appropriate to assist them in the conduct of the SISP, and/or (c) apply to the Court for advice and directions with respect to the discharge of any of their powers and duties hereunder.

5. Primary SISP Responsibilities. In connection with the SISP, the Companies’ primary responsibilities include:

- (a) assisting the Sale Advisor with the preparation of a list of Prospective Bidders;
- (b) preparing the Summary of Businesses and assisting the Sale Advisor with preparing the Teaser Letter;
- (c) assisting legal counsel with the preparation of the template form of confidentiality agreement to be executed by Prospective Bidders (such confidentiality agreement and any other form of confidentiality agreement executed by a Prospective Bidder in favour of the Companies, the “**Confidentiality Agreement**”);
- (d) establishing and managing an electronic data room with confidential information in respect of the Companies, the Property and the Businesses (the “**Data Room**”);
- (e) assisting legal counsel with the preparation of the template Form of APA and if the Companies so elect, the template Form of PSA;
- (f) assisting the Sale Advisor with managing all communications with Prospective Bidders, Qualified Phase I Bidders, Qualified Bidders and Auction Bidders, prior to and after receipt of the LOIs and Qualified Bids. These communications shall include, without limitation, facilitating the delivery of all communications, contacting Prospective Bidders and providing them with the Teaser Letter and the Summary of Businesses and coordinating the execution of the Confidentiality Agreements by Prospective Bidders, managing the process of answering all reasonable inquiries from Prospective Bidders, Qualified Phase I Bidders, Qualified Bidders and Auction Bidders and arranging for site visits by Prospective Bidders, Qualified Phase I Bidders and Qualified Bidders;
- (g) negotiating with Prospective Bidders, Qualified Phase I Bidders, Qualified Bidders and Auction Bidders;
- (h) reviewing and considering the LOIs and Qualified Bids; and

- (i) if applicable, conducting an Auction or Auctions with respect to one or more of the Businesses in accordance with the SISP.

### **Sale and Investment Opportunities**

6. Opportunity to Submit a Bid. Qualified Phase I Bidders will have the opportunity to submit a bid to purchase some or all of the Property (a “**Sale Proposal**”) or for an investment in the Businesses or any part thereof through a Plan sponsorship (a “**Plan Sponsorship Proposal**”). Sale Proposals and Plan Sponsorship Proposals may be in respect of only a part or parts of the Property or Businesses, and any such proposal will not be precluded from consideration as an acceptable LOI, Qualified Bid or Successful Bid.

### **“As is, Where Is”**

7. “As is, Where is” Basis. Any Sale Proposal or Plan Sponsorship Proposal shall be made on an “as is, where is” basis, without surviving representations or warranties of any kind or nature.
8. No Representations or Warranties. The Companies, the Sale Advisor and the Monitor are not responsible for, and will have no liability with respect to, any information obtained by any Prospective Bidder, Qualified Phase I Bidder, Qualified Bidder, Auction Bidder or Successful Bidder in connection with the Property, the Companies or the Businesses. The Companies and their advisors (including the Sale Advisor) and the Monitor do not make any representations or warranties whatsoever as to the information or the materials provided through the due diligence process or otherwise made available to any Prospective Bidder, Qualified Phase I Bidder, Qualified Bidder, Auction Bidder or Successful Bidder, including any information contained in the Teaser Letter, Summary of Businesses or Data Room.

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

9. Free and Clear. In the event of a Sale Proposal for any or all of the Property, all of the ~~CCAA Parties~~ Companies’ right, title and interest in and to the Property may be acquired pursuant to an approval and vesting order of the Court, free and clear of all pledges, liens, security interests, charges, options, hypothecs, mortgages and interest thereon, except to

the extent otherwise set forth in a definitive purchase agreement executed with a Successful Bidder. ~~With respect to the Non-CCAA Parties' right, title or interest in the Property, a vesting order may not be available.~~

### **Solicitation of Interest**

10. Solicitation Materials. The Companies, with the assistance of the Sale Advisor, and in consultation with the Monitor, have or will:
  - (a) compile a listing (the “**Contact List**”) of prospective purchasers and investors (collectively, “**Prospective Bidders**”), which list will include parties who in the Companies’ reasonable business judgment may be interested in acquiring the Property or making an investment in the Businesses or any part thereof;
  - (b) prepare the Summary of Businesses;
  - (c) determine the appropriate advertising to be directed at Prospective Bidders, which may include newspaper, trade publication, internet or other advertising directed at Prospective Bidders;
  - (d) send to each Prospective Bidder a solicitation letter summarizing the acquisition and investment opportunity with respect to the Property and the Businesses (the “**Teaser Letter**”);
  - (e) send to each Prospective Bidder upon request a form of Confidentiality Agreement. The Prospective Bidders will be required, among other things, to sign a Confidentiality Agreement in order to gain access to confidential information (including access to the Data Room). For greater certainty, only Prospective Bidders who submit an executed Confidentiality Agreement, which is in form and substance acceptable to the Companies, shall have access to the Summary of Businesses, Data Room and other confidential information and management presentations, if available; and
  - (f) send to each Prospective Bidder who executes a Confidentiality Agreement a copy of this SISF and/or the Process Letter.
11. Restrictions on Access to Confidential Information. The Companies reserve the right to

limit any Prospective Bidder's or Qualified Phase I Bidder's access to any confidential information (including any information in the Data Room) and to customers and suppliers of the Companies, where, in the Companies' discretion, such access could negatively impact the SISP, the ability to maintain the confidentiality of the confidential information, or the value of the Property. Requests for additional information are to be made to the Sale Advisor.

### **Submission of Non-Binding Letters of Intent & Other Participation Requirements**

12. **LOI Deadline.** Unless otherwise provided for herein, ordered by the Court or agreed to by the Monitor, in order to participate in the SISP and be considered for qualification as a Qualified Phase I Bidder, a Prospective Bidder must deliver to the Sale Advisor, with a copy to the Monitor (in each case, at the addresses set out in the Process Letter), so as to be received by the Sale Advisor not later than 5:00 p.m. (Montréal time) on Tuesday, May 19, 2015 or such later date and/or time as the applicable Companies in respect of one or more Businesses may, in consultation with the Monitor, determine appropriate or as the Court may order (the "**LOI Deadline**"), the following:
  - (a) an executed Confidentiality Agreement;
  - (b) a non-binding letter of intent (a "**LOI**") which specifies whether the Prospective Bidder anticipates submitting a Sale Proposal or Plan Sponsorship Proposal, and which complies with the requirements of paragraph 13 or 14 below, as applicable;
  - (c) to the extent not provided in the LOI, a letter setting forth the identity of the Prospective Bidder, the contact information for such Prospective Bidder, and the contact information for any business, financial or legal advisors retained or to be retained in connection with the contemplated transaction, and full disclosure of the direct and indirect owners of the Prospective Bidder and its principals; and
  - (d) to the extent not provided in the LOI or the Confidentiality Agreement, a written acknowledgement of receipt of a copy of the SISP Approval Order



(including the SISP) and agreeing to accept and be bound by the provisions contained therein or herein.

13. Requirements for LOIs (Sale Proposal). An LOI in respect of a Sale Proposal must include:

- (a) a detailed listing and description of the Property to be included in the Sale Proposal and a detailed listing of the Property to be excluded from the Sale Proposal;
- (b) the low and high range of the proposed purchase price for such Sale Proposal, the proposed allocation of purchase price among the applicable Property and an explanation of what contingencies and variables may influence where in the range the final purchase price will fall;
- (c) details as to the form of consideration for the Sale Proposal;
- (d) an acknowledgment that the Sale Proposal will be made on an “as is, where is” basis;
- (e) a list of the key material contracts and leases, if any, the Prospective Bidder wishes to acquire and the Prospective Bidder’s proposed treatment of any related “cure costs”;
- (f) a description of any liabilities to be assumed by the Prospective Bidder and the Prospective Bidder’s estimated value of such assumed liabilities;
- (g) a detailed description of any remaining due diligence required by the Prospective Bidder to be completed before making a Qualified Bid and an estimated timeline for the completion of such due diligence (including with respect to any specific technical diligence matters relating to mines or mining rights owned by the applicable Companies or any environmental due diligence);
- (h) any anticipated regulatory and other approvals required to close the proposed transaction and the anticipated time frame and any anticipated impediments for obtaining any such approvals;

- (i) all material conditions to closing that the Prospective Bidder may wish to impose;
- (j) the proposed target closing date and a timeline to closing with critical milestones;
- (k) an indication as to whether the Prospective Bidder is intending to effect the Sale Proposal through a special purpose vehicle;
- (l) any other terms and conditions which the Prospective Bidder believes are material to the transaction; and
- (m) such other information reasonably requested by any Company.

14. Requirements for LOIs (Plan Sponsorship Proposal). An LOI in respect of a Plan Sponsorship Proposal must include:

- (a) a description of the structure of Plan sponsorship transaction, including which Companies will be the target of such transaction;
- (b) a description of the type and amount of consideration, including equity, if any, to be allocated to secured creditors, unsecured creditors and shareholders of each of the applicable Companies;
- (c) the proposed treatment of stakeholders of the applicable Companies, including lenders, trade creditors and shareholders;
- (a) the structure and financing of the transaction, including a sources and uses analysis;
- (b) an acknowledgment that the Plan Sponsorship Proposal will be made on an “as is, where is” basis;
- (c) a description of any liabilities to be assumed by the Prospective Bidder and the Prospective Bidder’s estimated value of such assumed liabilities;
- (d) a detailed description of any remaining due diligence required by the Prospective Bidder to be completed before making a Qualified Bid and

estimated timeline for the completion of such due diligence (including with respect to any specific technical diligence matters relating to mines or mining rights owned by the applicable Companies or any environmental due diligence);

- (e) any anticipated regulatory and other approvals required to close the proposed transaction and the anticipated time frame and any anticipated impediments for obtaining any such approvals;
- (f) all material conditions to closing that the Prospective Bidder may wish to impose;
- (g) the proposed target closing date and a timeline to closing with critical milestones;
- (h) an indication as to whether the Prospective Bidder is intending to effect the Plan Sponsorship Proposal through a special purpose vehicle;
- (i) any other terms and conditions which the Prospective Bidder believes are material to the transaction; and
- (j) such other information reasonably requested by any Company.

15. Clarifications, Extensions and Waivers of LOIs. For greater certainty, the Companies shall be entitled, either prior to or following the LOI Deadline, to seek to clarify the terms of an LOI or with respect to any of the other requirements of paragraphs 12, 13 or 14 above, and the applicable Companies, in consultation with the Monitor, may accept a revised, clarified LOI, provided that the initial LOI was received prior to the LOI Deadline. The applicable Companies may grant extensions to the LOI Deadline with respect to any Business upon consultation with the Monitor, and the applicable Companies shall comply with any other extensions of the LOI Deadline as may be ordered by the Court. The Companies, in consultation with the Sale Advisor and Monitor, may waive compliance with any one or more of the requirements specified in paragraphs 12, 13 and 14 and deem any non-compliant LOI to be a qualifying LOI.

**Review of LOIs**

16. **Sale Proposal LOI Criteria.** Promptly following the LOI Deadline, the Companies, in consultation with the Sale Advisor and the Monitor, will review and assess the LOIs and other materials submitted by Prospective Bidders in respect of a Sale Proposal, and in making such assessment will consider, among other things, the following (the “**Sale Proposal LOI Criteria**”):
- (a) the purchase price and net value (including all assumed liabilities and other obligations to be performed by the Prospective Bidder) provided by such LOI and the proposed allocation of the purchase price among the applicable Property;
  - (b) the evidence of the financial ability of the Prospective Bidder to consummate the Sale Proposal;
  - (c) the claims, if any, likely to be created against the applicable Companies by the transaction contemplated by the LOI, relative to alternatives available to such Companies;
  - (d) the nature and amount of debt and other liabilities to be assumed by the Prospective Bidder;
  - (e) the counterparties to the Sale Proposal including the applicable Companies;
  - (f) the assets included in or excluded from the Sale Proposal and the transaction costs and risks associated with closing multiple transactions versus a single sale transaction for all, or substantially all, of the applicable Companies’ Property;
  - (g) any transition services required from the Companies post-closing and any related costs;
  - (h) the planned treatment of stakeholders, including lenders, trade creditors and shareholders; and
  - (i) other factors affecting the speed, certainty and value of the Sale Proposal (including any remaining due diligence, regulatory approvals and other conditions required to close the Sale Proposal), including whether the Sale Proposal is

reasonably likely to close on or before the target closing date indicated by the Prospective Bidder in its LOI.

17. Plan Sponsorship Proposal LOI Criteria. Promptly following the LOI Deadline, the Companies, in consultation with the Sale Advisor and the Monitor, will review and assess the LOIs and other materials submitted by Prospective Bidders in respect of a Plan Sponsorship Proposal, and in making such assessment will consider, among other things, the following (the “**Plan Sponsorship Proposal LOI Criteria**”):
- (a) the type and amount of consideration, including equity, if any, to be allocated to secured creditors, unsecured creditors and shareholders of each of the applicable Companies, and the planned treatment of such persons under the Plan Sponsorship Proposal;
  - (b) the counterparties to the Plan Sponsorship Proposal;
  - (c) the cost, risks and timing associated with obtaining the approval of the requisite majority of creditors and approval of the Court in respect of the Plan; and
  - (d) other factors affecting the speed, certainty and value of the Plan Sponsorship Proposal (including any remaining due diligence, regulatory approvals and other conditions required to close the Plan Sponsorship Proposal), including whether the Plan Sponsorship Proposal is reasonably likely to close on or before the target closing date indicated by the Prospective Bidder in its LOI.

#### **Identification of Qualified Phase I Bidders**

18. Determination of Qualified Phase I Bidders. The Companies, in consultation with the Sale Advisor and the Monitor, shall apply the Sale Proposal LOI Criteria and the Plan Sponsorship Proposal LOI Criteria, as applicable, and consider each LOI and the other materials submitted by a Prospective Bidder pursuant to paragraph 12 and determine whether it will be in the best interests of the applicable Companies to permit the Prospective Bidder to continue to participate in the SISF based upon the terms set out in the applicable LOI (any such Prospective Bidder, a “**Qualified Phase I Bidder**”). The determination by the applicable Companies as to whether a Prospective Bidder is a Qualified Phase I Bidder will be made as promptly as practicable after such Prospective

Bidder has satisfied the requirements described in paragraph 12 (subject to any waiver thereof under paragraph 15), and any clarification that may be sought by the applicable Companies pursuant to paragraph 15. For greater certainty, an LOI may be in respect of only a part or parts of the Property or Businesses.

19. Notification of Qualified Phase I Bidders. If it is determined by the applicable Companies, in consultation with the Sale Advisor and the Monitor, that a Prospective Bidder is a Qualified Phase I Bidder, the Sale Advisor will promptly notify the Prospective Bidder of such determination, and such Qualified Phase I Bidder will thereafter be provided an opportunity to complete due diligence and submit a binding offer in respect of such Sale Proposal or Plan Sponsorship Proposal. No LOIs will be considered pursuant to the SISP after the LOI Deadline. Prospective Bidders not identified as Qualified Phase I Bidders by the applicable Companies will no longer be able to participate in the SISP or continue to have access to any confidential information in connection therewith.
  
20. Advice and Directions if no Suitable LOI. If at any point before or after the LOI Deadline any of the ~~CCAA Parties~~ Companies determine, in consultation with the Sale Advisor and the Monitor, that there are or will be no Qualified Phase I Bidders with respect to a particular Business, or that it will not be in the best interests of all or any ~~CCAA Parties~~ Companies to continue with the SISP with respect to all or any of the Businesses, the applicable ~~CCAA Parties~~ Companies shall as soon as reasonably practicable file a motion with the Court on notice to the Service List for advice and directions with respect to the modification, suspension or termination of the SISP in respect of such Business or Businesses. ~~A Non-CCAA Party may terminate its participation in the SISP at any time.~~
  
21. Stalking Horse. Notwithstanding the process and deadlines outlined above with respect to LOIs, the Companies, in consultation with the Sale Advisor and the Monitor, may at any time prior to the applicable Bid Deadline bring a motion to seek approval of a stalking horse purchase agreement in respect of some or all of the Property and related amendments to the SISP, including with respect to an extension to the applicable Bid Deadline. If any stalking horse purchase agreement is approved by the Court, the Company or the Sale Advisor will provide written notice of same, including any related amendments to the SISP, to all Qualified Phase I Bidders and such information will be

posted on the Monitor's Website.

### **Submissions of Binding Qualified Bids**

22. **Bid Deadline.** All binding offers for a Sale Proposal or Plan Sponsorship Proposal must be submitted in writing by a Qualified Phase I Bidder to the Sale Advisor, with a copy to the Monitor (in each case, at the address set out in the Process Letter) by the date or dates (the "**Bid Deadline**") which will be determined by the applicable Companies, in consultation with the Sale Advisor and the Monitor, or as may be fixed by the Court, in respect of the Businesses. Once determined or fixed by the Court, as applicable, the Company or the Sale Advisor will provide written notice of the Bid Deadline(s) to all Qualified Phase I Bidders and notice of the Bid Deadline(s) will be posted on the Monitor's Website.

### **Requirements for Qualified Bid**

23. **Requirements for Qualified Bids (Sale Proposal).** A Sale Proposal will be considered a "**Qualified Bid**" only if (i) it is submitted by a Qualified Phase I Bidder on or before the applicable Bid Deadline, and (ii) the Sale Proposal complies with the following requirements:
- (a) it fully discloses the identity of each person or entity that will be sponsoring or participating in the Sale Proposal, including the identification of the Qualified Phase I Bidder's direct and indirect owners and their principals, and the complete terms of such participation;
  - (b) it contains evidence of authorization and approval from the Qualified Phase I Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable, with respect to the submission, execution, delivery and closing of the transaction contemplated by the Sale Proposal;
  - (c) it includes a letter confirming that the Sale Proposal is a binding offer capable of acceptance by the applicable Companies, irrevocable and open for acceptance until at least 11:59 p.m. Montréal Time on the Business Day after

the closing of a Successful Bid relating to the same Property and/or Businesses that is/are subject to the Sale Proposal;

- (d) it includes (A) a duly authorized and executed purchase agreement based on the Form of APA; (B) all exhibits and schedules thereto, including a detailed description of the Property to be included and excluded from the proposed transaction and an allocation of the purchase price among the applicable Property, and such ancillary agreements as may be required by the Qualified Phase I Bidder with all exhibits and schedules thereto; and (C) a mark-up of the Form of APA showing all amendments and modifications made thereto;
- (e) it includes a cash deposit in an amount equal to five percent (5%) of the cash purchase price contemplated therein, payable by wire transfer of immediately available funds (to a bank account specified by the Monitor) payable to the order of the Monitor, in trust, which will be dealt with in accordance with paragraphs 40 to 43, or such other form of deposit or amount as is acceptable to the applicable Companies and the Monitor (each, a “**Deposit**”);
- (f) it includes an acknowledgement and representation that the Qualified Phase I Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid, including the applicable Property; (ii) has not relied upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the applicable Property or any liabilities to be assumed or the completeness of any information provided in connection therewith, including but not limited, to (A) the enforceability, validity or status of any of the applicable Property, and (B) the nature and condition (environmental, financial and otherwise) of the applicable Property, Companies or Businesses; and (iii) is a knowledgeable, experienced and sophisticated purchaser with respect to the applicable Property and Businesses, has been provided the opportunity to conduct any and all due diligence it deemed appropriate and is relying on its own due diligence and expertise and that of its own consultants, accountants, and legal and tax advisors in making



its Qualified Bid;

- (g) it includes either written evidence of a firm, irrevocable commitment for all required funding and/or financing from a credit worthy bank or financial institution, or other evidence of financial ability to close the transaction, that will allow the applicable Companies to make a reasonable determination as to the Qualified Phase I Bidder's (and its direct and indirect owners') financial and other capabilities to consummate the transaction contemplated by the Sale Proposal; if the Qualified Phase I Bidder is an entity newly formed for the purpose of the transaction, or if the Qualified Phase I Bidder intends to complete the sale transaction through a special purpose vehicle, (A) the direct and indirect equity holders or sponsors of such newly formed entity or special purpose vehicle must guarantee the special purpose vehicle's obligations under all definitive transaction documents, and (B) the Sale Proposal shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to the applicable Companies and names the applicable Companies as third party beneficiaries of any such commitment letter with recourse against such parent entity or sponsor;
- (h) it shall not be conditional upon, among other things:
  - (i) the outcome of unperformed due diligence by the Qualified Phase I Bidder;
  - (ii) obtaining any financing; or
  - (iii) approval of the Qualified Bid by the Qualified Phase I Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable;
- (i) it includes the anticipated time frame and any anticipated impediments for obtaining any regulatory or other approvals indicated in the executed purchase agreement as conditions to closing;

- (j) it provides a timeline to closing with critical milestones and provides for a closing of the proposed transaction by no later than the applicable Target Closing Date;
- (k) it does not request or entitle the Qualified Phase I Bidder to any break-fee, termination fee, expense reimbursement or other type of compensation or payment; and
- (l) it contains such other information reasonably requested by any Company.

24. Requirements for Qualified Bids (Plan Sponsorship Proposal). A Plan Sponsorship Proposal will be considered a “**Qualified Bid**” only if (i) it is submitted by a Qualified Phase I Bidder on or before the applicable Bid Deadline, and (ii) the Plan Sponsorship Proposal complies with the following requirements:

- (a) it fully discloses the identity of each person or entity that will be sponsoring or participating in the Qualified Bid, including the identification of the Qualified Phase I Bidder’s direct and indirect owners and their principals, and the complete terms of such participation;
- (b) it contains evidence of authorization and approval from the Qualified Phase I Bidder’s board of directors, investment committee, credit committee or comparable governing body, as applicable, with respect to the submission, execution, delivery and closing of the transaction contemplated by the Plan Sponsorship Proposal;
- (c) it includes a letter confirming that the Plan Sponsorship Proposal is a binding offer capable of acceptance by the applicable Companies, irrevocable and open for acceptance until at least 11:59 p.m. Montréal Time on the Business Day after the closing of a Successful Bid relating to the same Property and/or Businesses that is/are subject to the Plan Sponsorship Proposal;
- (d) it includes a reasonably detailed description of the manner in which the investment is to be made, including the allocation of such investment between the applicable Companies or Businesses;

- (e) it includes (A) a duly authorized and executed investment agreement based on the Form of PSA (if one has been provided by the applicable Companies); (B) all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Phase I Bidder with all exhibits and schedules thereto; and (C) a mark-up of the Form of PSA (if one has been provided by the applicable Companies) showing all amendments and modifications made thereto;
- (f) it includes a cash deposit in an amount equal to five percent (5%) of the amount of consideration to be available for distribution to creditors of the applicable Companies under the Plan Sponsorship Proposal, payable by wire transfer of immediately available funds (to a bank account specified by the Monitor) payable to the order of the Monitor, in trust, which will be dealt with in accordance with paragraphs 40 to 43, or such other form of deposit or amount acceptable to the applicable Companies and the Monitor (each, a **“Deposit”**);
- (g) it includes an acknowledgement and representation that the Qualified Phase I Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid, including the applicable Property; (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 applicable Property or any liabilities to be assumed or the completeness of any information provided in connection therewith, including but not limited, to (A) the enforceability, validity or status of any of the applicable Property, and (B) the nature and condition (environmental, financial and otherwise) of the applicable Property, Companies and Businesses; and (iii) is a knowledgeable, experienced and sophisticated investor with respect to the applicable Property and Businesses, has been provided the opportunity to conduct any and all due diligence it deemed appropriate and is relying on its own due diligence and expertise and that of its own consultants, accountants, and legal and tax advisors in making its Qualified Bid;

- (h) it includes either written evidence of a firm, irrevocable commitment for all required funding and/or financing from a credit worthy bank or financial institution, or other evidence of financial ability to close the investment transaction, that will allow the applicable Companies to make a reasonable determination as to the Qualified Phase I Bidder's (and its direct and indirect owners and their principals, as applicable) financial and other capabilities to consummate the transaction contemplated by the Plan Sponsorship Proposal;
- (i) if the Qualified Phase I Bidder is an entity newly formed for the purpose of the investment transaction, or if the Qualified Phase I Bidder intends to complete the investment transaction through a special purpose vehicle, (A) the direct and indirect equity holders or sponsors of such newly formed entity or special purpose vehicle must guarantee the special purpose vehicle's obligations under all definitive transaction documents, and (B) the Plan Sponsorship Proposal shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to the applicable Companies and that names the applicable Companies as third party beneficiaries of any such commitment letter with recourse against such parent entity or sponsor;
- (j) it shall not be conditional upon, among other things:
  - (i) the outcome of unperformed due diligence by the Qualified Phase I Bidder;
  - (ii) obtaining any financing; or
  - (iii) approval of the Qualified Bid by the Qualified Phase I Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable;
- (k) it includes the anticipated time frame and any anticipated impediments for obtaining any regulatory or other approvals;
- (l) it provides a timeline to closing with critical milestones and provides for a closing of the proposed transaction by no later than the applicable Target Closing Date;

- (m) it does not request or entitle the Qualified Phase I Bidder to any break-fee, termination fee, expense reimbursement or other type of compensation or payment; and
- (n) it contains such other information reasonably requested by any Company.

25. Qualified Portion Bids. For greater certainty, Sale Proposals and Plan Sponsorship Proposals may be in respect of only a part or parts of the Property or Businesses and such proposal shall constitute a “**Qualified Portion Bid**” if it satisfies the requirements in paragraph 23 or 24 hereof, as applicable, in respect of the Property or Business subject to such proposal, and in such case, such bidder shall constitute a “**Qualified Portion Bidder**”. Each Qualified Portion Bid shall be deemed to be a Qualified Bid, and each Qualified Portion Bidder shall be deemed to be a Qualified Bidder, for all purposes of the SISP.

#### **Assessment of Qualified Bids**

26. Review of Qualified Bids (Sale Proposal). Promptly following the Bid Deadline, the Companies, in consultation with the Sale Advisor and Monitor, will review and assess the Qualified Bids in respect of a Sale Proposal, and in making such assessment will consider, among other things, the following (the “**Sale Proposal Bid Criteria**”):
- (a) the purchase price and net value (including all assumed liabilities and other obligations to be performed by the Qualified Phase I Bidder) provided by such Qualified Bid and the proposed allocation of the purchase price among the applicable Property;
  - (b) the firm, irrevocable commitment for financing the transaction or other evidence of ability to consummate the Sale Proposal;
  - (c) the claims, if any, likely to be created against the applicable Companies by the transaction contemplated by the Sale Proposal, relative to alternatives available to such Companies;
  - (d) the nature and amount of debt and other liabilities to be assumed or acquired by the Qualified Phase I Bidder;

- (e) the counterparties to the Sale Transaction including the applicable Companies;
- (f) the proposed revisions to the Form of APA and the terms of the proposed sale transaction documents;
- (g) the assets included in or excluded from the Sale Proposal and the transaction costs and risks associated with closing multiple transactions versus a single sale transaction for all or substantially all of the applicable Companies' Property or Businesses;
- (h) any transition services required from the applicable Companies post-closing and any related restructuring costs;
- (i) the planned treatment of stakeholders, including lenders, trade creditors and shareholders; and
- (j) other factors affecting the speed, certainty and value of the Sale Proposal (including any regulatory approvals and other conditions required to close the Sale Proposal by the applicable Target Closing Date), including the likelihood of closing the Sale Proposal on or before the applicable Target Closing Date.

27. Review of Qualified Bids (Plan Sponsorship Proposal). Promptly following the Bid Deadline, the Companies, in consultation with the Sale Advisor and the Monitor, will review and assess the Qualified Bids in respect of a Plan Sponsorship Proposal, and in making such assessment will consider, among other things, the following (the "**Plan Sponsorship Proposal Bid Criteria**"):

- (a) the type and amount of consideration, including equity, if any, to be allocated to secured creditors, unsecured creditors and shareholders of each of the applicable Companies and the planned treatment of such persons under the proposed Plan Sponsorship Proposal;
- (b) the firm, irrevocable commitment for financing the investment or other evidence of ability to consummate the Plan Sponsorship Proposal;
- (c) the counterparties to the proposed Plan Sponsorship Proposal;

- (d) the proposed revisions to the Form of PSA, if applicable, and the terms of the proposed investment transaction documents;
  - (e) the cost, risks and timing associated with obtaining the approval of the requisite majority of creditors and approval of the Court in respect of the Plan; and
  - (f) other factors affecting the speed, certainty and value of the Plan Sponsorship Proposal (including any regulatory approvals and other conditions required to close the Plan Sponsorship Proposal, including whether the Plan Sponsorship Proposal is reasonably likely to close on or before the applicable Target Closing Date.
28. Clarifications, Extensions and Waivers of Qualified Bids. For greater certainty, the Companies shall be entitled either prior to or following the applicable Bid Deadline, to seek to clarify the terms of a Qualified Bid and the applicable Companies, in consultation with the Monitor, may accept a revised, clarified Qualified Bid, provided that the initial Qualified Bid was received prior to the applicable Bid Deadline. The ~~CCAA-Parties~~Companies may grant extensions to the Bid Deadline with respect to any Business upon consultation with the Monitor, and the ~~CCAA-Parties~~Companies shall comply with any other extensions of the Bid Deadline as may be ordered by the Court. The ~~CCAA-Parties~~Companies, in consultation with the Sale Advisor and Monitor, may waive compliance with any one or more of the requirements specified in paragraphs 23 or 24, as applicable, and deem any non-compliant bid to be a Qualified Bid.
29. Identification of Suitable Qualified Bids. The Companies, in consultation with the Sale Advisor and Monitor shall apply the Sale Proposal Bid Criteria and Plan Sponsorship Proposal Bid Criteria, as applicable, and consider each Qualified Bid upon its submission and determine whether it will be in the best interests of the applicable Companies to pursue a transaction on the terms set out in the applicable Qualified Bid. This determination by the applicable Companies will be made as promptly as practicable after the applicable Bid Deadline, and any clarification that may be sought by the applicable Companies pursuant to paragraph 28.
30. Advice and Directions if no Suitable Qualified Bids. If at any point before or after the applicable Bid Deadline any of the ~~CCAA-Parties~~Companies determine, in consultation

with the Sale Advisor and the Monitor, that there are or will be no Qualified Bids with respect to a particular Business, or that it is appropriate to reject all Qualified Bids received because none are in the best interests of the applicable ~~CCAA-Parties~~ Companies, or that it will not be in the best interests of all or any ~~CCAA-Parties~~ Companies to continue with the SISP with respect to any of the Businesses, the applicable ~~CCAA-Parties~~ Companies shall as soon as reasonably practicable file a motion with the Court on notice to the Service List to seek advice and directions with respect to the modification, suspension or termination of the SISP. ~~A Non-CCAA Party may terminate its participation in the SISP at any time.~~

31. Next Steps if only one Suitable Qualified Bid. If, after consultation with the Sale Advisor and Monitor, the applicable Companies determine that only one Qualified Bid was received with respect to a Business that is in the best interests of the applicable Companies (or only one combination of non-overlapping Qualified Portion Bids was received that is in the best interests of the applicable Companies), the applicable Companies may choose to accept such Qualified Bid (in which case, such Qualified Bid shall be a “**Successful Bid**” and the Qualified Phase I Bidder making the Successful Bid shall be a “**Successful Bidder**”) and take such steps as are necessary to finalize and complete an agreement for the Successful Bid with the Successful Bidder. For greater certainty, the applicable Companies may accept a combination of non-overlapping Qualified Portion Bids (collectively, an “**Aggregated Bid**”) to create one “Successful Bid” and in such case, the applicable Qualified Portion Bidders will become “Successful Bidders”.
32. Next Steps if more than one Suitable Qualified Bid. If, after consultation with the Sale Advisor and Monitor, the applicable Companies determine that more than one Qualified Bid (and/or more than one Aggregated Bid) was received with respect to one or more Businesses or a part thereof that is in the best interests of the applicable Companies, then the applicable Companies shall conduct one or more auctions (the “**Auction**” or, if more than one, the “**Auctions**”) relating to one or more of the Businesses or any part thereof, as the Companies, in consultation with the Sale Advisor and the Monitor, consider appropriate, to determine the highest and/or best Sale Proposal or Plan Sponsorship Proposal or Aggregated Bid for one or more of the Businesses or any part thereof. In the event that an Auction or Auctions will be held, all Qualified Phase I Bidders (including



Qualified Portion Bidders) who submitted a Qualified Bid that the applicable Companies determine, in consultation with the Sale Advisor and the Monitor, entitles such Qualified Phase I Bidder to participate in the Auction (each, an “**Auction Bidder**”) will be promptly advised by the Sale Advisor of such determination. A Qualified Phase I Bidder not identified as an Auction Bidder will no longer be able to participate in the SISP or any Auction.

33. Discretion of the Companies. The Companies, upon consultation with the Sale Advisor and Monitor, may at any time (including prior to or during an Auction), (a) reject any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the CCAA, the SISP or any orders of the Court applicable to the ~~CCAA Parties~~Companies, or (iii) contrary to the best interests of the applicable Companies; (b) in accordance with the terms hereof, accept bids not in conformity with the SISP to the extent that the applicable Companies determine, in their reasonable business judgment after consultation with the Sale Advisor and Monitor, that doing so would benefit the applicable Companies; (c) in accordance with the terms hereof, extend the LOI Deadline and/or Bid Deadlines, and/or change the date of an Auction; and/or (d) reject all bids. For greater certainty, the Companies shall be under no obligation to accept the highest or best offer and the selection of the Successful Bid shall be entirely in the discretion of the Companies after consultation with the Sale Advisor and Monitor.

### Auction

34. Place and Time. If the Auction or Auctions are to be conducted pursuant to paragraph 32, the Auction or Auctions with respect to one or more Businesses or any part thereof shall commence on a date and time to be determined by the applicable Companies, in consultation with the Sale Advisor and the Monitor, or as fixed by the Court. All Auctions shall be conducted at the offices of Blake, Cassels & Graydon LLP located at 600 de Maisonneuve Boulevard West, Suite 200, Montreal, Québec, Canada or such other location(s) as the applicable Companies may determine. Notice of the place, date and time of the Auction(s) will be delivered to all Auction Bidders by the Sale Advisor not less than three (3) Business Days before the date of the Auction.

35. Procedures for the Auction. If there is an Auction or Auctions, each Auction shall be conducted according to the following procedures:
- (a) Notice of Participation. At least one (1) Business Day prior to the Auction, each Auction Bidder who has been notified by the Sale Advisor or the Companies that it has qualified as an Auction Bidder must inform the Companies whether it intends to attend the Auction; provided that in the event an Auction Bidder elects not to attend the Auction, such Auction Bidder's Qualified Bid shall remain binding, irrevocable and open for acceptance until at least 11:59 p.m. Montréal Time on the Business Day after the closing of a Successful Bid relating to the same Property and/or Businesses that is/are subject to such Auction Bidder's bid;
  - (b) Participation at the Auction. The applicable Companies and their advisors (including the Sale Advisor), in consultation with the Monitor, shall direct and preside over the Auction or Auctions, as applicable. Only Auction Bidders are eligible to participate in an Auction, and then only in the Auction in respect of the Business or Businesses or any part thereof that is subject to their Qualified Bid or Overbid, as applicable. Only the authorized representatives (including legal counsel and other advisors) of each of the Auction Bidders, the applicable Companies, the Sale Advisor and the Monitor shall be permitted to attend an Auction.
  - (c) Anti-Collusion. Each Auction Bidder shall be required to confirm that it has not engaged, and will not engage, in any collusion with respect to the bidding or any Sale Proposal or Plan Sponsorship Proposal, and if such Auction Bidder is a special purpose vehicle, each of the direct or indirect equity holders of such Auction Bidder shall be required to confirm that it has not engaged, and will not engage, in any collusion with respect to the bidding or any Sale Proposal or Plan Sponsorship Proposal, such confirmation, in each case, in form and substance satisfactory to the Companies in their sole discretion.
  - (d) Rounds. Bidding at an Auction shall be conducted in rounds. In each round, an Auction Bidder may submit no more than one Overbid. If at the end of any

round of bidding, an Auction Bidder (other than the Auction Bidder who submitted the Opening Bid for such round and any Qualified Portion Bidder who is an Auction Bidder) did not submit an Overbid, then such Auction Bidder shall be barred from participating in any further round of bidding at the Auction. Any Auction Bidder who submits an Overbid in a round, as well as the Auction Bidder who submitted the Opening Bid for such round and any Qualified Portion Bidder who is an Auction Bidder, shall be entitled to participate in the next round of bidding at the Auction.

- (e) Determination of Opening Bids. The applicable Companies, in consultation with the Sale Advisor and Monitor, shall apply the Sale Proposal Bid Criteria and Plan Sponsorship Proposal Bid Criteria, as applicable, to determine which Qualified Bid is the highest and/or best bid received by the applicable Bid Deadline, which shall constitute the “**Opening Bid**” for the first round of an Auction. The applicable Companies shall follow the same process to determine the highest and/or best Overbid submitted in each round of an Auction, which shall constitute the “**Opening Bid**” for the following round. For greater certainty, an Aggregated Bid may be determined to be the “Opening Bid” for any round. As soon as practicable prior to the start of the Auction, the applicable Companies shall distribute a copy of the Opening Bid for the first round to all Auction Bidders eligible to participate in the applicable Auction.
- (f) Overbids. All bids made at an Auction shall be Overbids and shall be made and received on an open, non-confidential basis and the identity of each Auction Bidder and all material terms of each Overbid shall be fully disclosed to all other Auction Bidders participating in the applicable round of the applicable Auction. The Sale Advisor shall maintain a transcript of the Opening Bids and all Overbids made and announced at an Auction.
- (g) Requirements for Overbids. A Sale Proposal or Plan Sponsorship Proposal submitted at an Auction will be considered an “**Overbid**” only if it complies with the following requirements:

- (i) *Minimum Consideration.* Subject to paragraph 35(l) below in respect of Qualified Portion Bids, the amount of the purchase price (in the case of a Sale Proposal), or the amount of the consideration to be allocated to secured creditors, unsecured creditors and shareholders of the applicable Companies (in the case of a Plan Sponsorship Proposal) shall not be less than the purchase price or consideration of the Opening Bid of the applicable round of such Auction, plus an amount (the “**Minimum Overbid Increment**”) to be set by the applicable Companies, in consultation with the Sale Advisor and Monitor; and
- (ii) *Qualified Bid Criteria.* Except as modified herein, an Overbid shall comply with all requirements for a Qualified Bid as set forth in paragraph 23 in the case of Sale Proposals, or paragraph 24 in the case of Plan Sponsorship Proposals, (in each case including in respect of its binding and irrevocable nature, and being open for acceptance until at least 11:59 p.m. Montréal Time on the Business Day after the closing of a Successful Bid relating to the same Property and/or Businesses); provided, however, that the Bid Deadline shall not apply and Overbids need not be accompanied by additional cash deposits during the Auction.
- (h) Determination and Announcing Highest Overbids. At the end of each round of bidding, the applicable Companies, in consultation with the Sale Advisor and Monitor, shall (i) review each Overbid made in such round, (ii) identify the highest and/or best such Overbid in accordance with paragraph 35(e), and (iii) announce to all Auction Bidders entitled to participate in the next round of bidding the terms of the highest and/or best Overbid and the identity of the Auction Bidder who submitted such Overbid. Such highest and/or best Overbid shall be the Opening Bid for the next round of such Auction.
- (i) Adjournments. The Companies reserve the right, in their reasonable business judgment, and after consultation with the Sale Advisor and Monitor, to make one or more adjournments in an Auction to, among other things: (i) facilitate discussions between the applicable Companies and individual Auction Bidders; (ii) allow individual Auction Bidders to consider how they wish to proceed;

(iii) consider and determine the current highest and/or best Overbid at any given time during the Auction; and (iv) give Auction Bidders the opportunity to provide the applicable Companies with such additional evidence as they may require, in their reasonable business judgment and in consultation with the Sale Advisor and Monitor, to show that the Auction Bidder's bid complies with the requirements of an Overbid (including in respect of the required internal corporate or credit committee approvals and evidence of sufficient funding commitments or other financial capability to consummate the proposed transaction).

- (j) Closing the Auction. If, in any round of bidding, no new Overbid is made, such Auction shall be closed and the applicable Companies shall, in consultation with the Sale Advisor and Monitor, declare the last Opening Bid as a “**Successful Bid**” and the Auction Bidder submitting such Successful Bid a “**Successful Bidder**” and advise such Successful Bidder of such determination and all other applicable Auction Bidders that they are not a Successful Bidder. For greater certainty, the selection of a Successful Bid and a Successful Bidder shall not be deemed a rejection of any other Overbid or Qualified Bid and each Overbid and Qualified Bid shall remain binding, irrevocable and open for acceptance until at least 11:59 p.m. Montréal Time on the Business Day after the closing of a Successful Bid relating to the same Property and/or Businesses.
- (k) Successful Bidder's Deposit. To the extent not already provided, the Successful Bidder shall, within two (2) Business Days of the conclusion of the Auction, provide the Monitor with an additional Deposit to increase its original Deposit to equal five percent (5%) of the total cash purchase price or investment contemplated by the Successful Bid.
- (l) Portion Bids. Each Qualified Portion Bidder that is an Auction Bidder shall be entitled to submit Overbids at the applicable Auction (in a minimum increment to be determined by the Companies) with respect to the portion of the Property or Businesses it is bidding on, and is not individually subject to the full Minimum Overbid Increment; provided that one or more Qualified Portion

Bids forming an Aggregated Bid in any round of the Auction shall collectively be subject to the full Minimum Overbid Increment. For greater certainty, the Companies may accept an Aggregated Bid as a “Successful Bid” and in such case, the applicable Auction Bidders will become “Successful Bidders”.

- (m) Clarifications of Overbids and Waivers. For greater certainty, the Companies shall be entitled during an Auction, to discuss and clarify the terms of all Overbids and accept a revised, clarified Overbid, provided it is submitted before the end of the applicable round of bidding. The Companies, in consultation with the Sale Advisor and Monitor, may waive compliance with any one or more of the requirements specified in paragraph 35(g), and deem any non-compliant Overbid to be a qualifying Overbid.
- (n) Additional Procedures. The Companies may, with the assistance of their advisors (including the Sale Advisor) and in consultation with the Monitor, adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction and that are not inconsistent with any of the provisions of the SISP or the SISP Approval Order; provided that no such rules may change the requirement that all Overbids shall be made and received on an open, non-confidential basis, and all Auction Bidders entitled to participate in a further round of bidding shall be entitled to be present for all such bidding.

### **Approval Motion**

- 36. Application to Court. After a definitive agreement(s) in respect of a Successful Bid has been finalized in accordance with the SISP, if such Successful Bid relates to the Property or Business of one or more ~~CCAA Parties~~Companies, the ~~CCAA Parties~~Companies shall apply to the Court as soon as reasonably practicable for an order approving such Successful Bid and authorizing the ~~CCAA Parties~~Companies to enter into any and all necessary agreements with respect to such Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to such Successful Bid, including for the approval of any Plan(s) pursuant to the CCAA, as applicable (an “**Approval Motion**”).

37. Scheduling of Approval Motion. An Approval Motion will be held on a date to be scheduled by the Court and to be heard as soon as possible. The ~~CCAA-Parties~~Companies reserve their right, as may be necessary or appropriate, to seek to proceed on an expedited basis and abridge the ten (10) day notice period provided for in the Bloom Lake Initial Order and the Wabush Initial Order. An Approval Motion may be adjourned or rescheduled by the ~~CCAA-Parties~~Companies by an announcement of the adjourned date at an Approval Motion or by notice to the Service List and no further notice shall be required.
38. Deemed Rejection. All Qualified Bids and Overbids (other than the Successful Bid(s)) will be deemed rejected at 11:59 p.m. Montréal Time on the Business Day after the closing of a Successful Bid relating to the same Property and/or Businesses.
39. Statutory Approvals. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.

### **Treatment of Deposit**

40. Investment of Deposit. All Deposits will be invested by the Monitor in an interest bearing trust account.
41. Application of Deposit. If there is a Successful Bid, the Deposit (plus accrued interest) paid by a Successful Bidder whose bid is approved by the Court in respect of the ~~CCAA-Parties~~Companies or is approved by the applicable Companies that are not ~~CCAA-Parties~~Companies, will be released by the Monitor to the applicable Companies and applied to the purchase price to be paid, or investment to be made, by such Successful Bidder upon closing of the approved transaction or as otherwise set out in the definitive agreement.
42. Return of Deposits. The Deposits (plus applicable interest) of Qualified Phase I Bidders not selected as a Successful Bidder with respect to a particular Business, or not otherwise required by the Companies to complete the transaction contemplated by their Qualified Bid or Overbid, will be returned to such Qualified Phase I Bidders within ten (10)

Business Days of the date of closing of the Successful Bid. If there is no Successful Bid with respect to a Business, subject to the following paragraph 43, all Deposits (plus applicable interest) with respect to such Business will be returned to all Qualified Phase I Bidders with respect to that Business, within ten (10) Business Days of the date on which the SISP with respect to that Business is terminated in accordance with the SISP.

43. Forfeit of Deposit. If (i) a Successful Bidder breaches any of its obligations under the terms of the SISP or any definitive transaction documentation, or (ii) a Qualified Phase I Bidder fails to complete the transaction contemplated by its Qualified Bid or Overbid if required by any of the Companies to complete such transaction, then, in each case, such bidder's Deposit will be forfeited to the applicable Companies as liquidated damages and not as a penalty. The ~~CCAA Parties~~Companies shall apply and use their share of any forfeited Deposit in a manner agreed upon by the ~~CCAA Parties~~Companies and the Monitor.

#### **Reservation of Rights and Conduct of the SISP**

44. No Binding Agreement. The SISP does not, and will not be interpreted to, create any contractual or other legal relationship between any of the Companies and any bidder, other than as specifically set forth in a definitive agreement that any such bidder may enter into with the applicable Companies.
45. Extension of Time Limits. The Companies may from time to time extend any of the time limits set out in the SISP, as the Companies determine appropriate, after consultation with the Monitor.

#### **No Amendment**

46. Amendments to SISP. There will be no amendments to the SISP without the approval of the Court on notice to the Service List, subject to such non-material amendments as may be agreed to by the Companies, including the ~~CCAA Parties~~Companies, and the Monitor.
47. Advice and Directions Generally. The ~~CCAA Parties~~Companies and the Monitor may seek advice and directions from the Court on notice to the Service List with respect to the conduct or any aspect of the SISP.



48. Consent to Jurisdiction of the Court. Each Qualified Phase I Bidder, upon being declared as such under the SISP, shall be deemed to have irrevocably and unconditionally attorned and submitted to the jurisdiction of the Court in respect of any action, proceeding or dispute in relation to the conduct or any aspect of the SISP.

**APPENDIX “A”**  
**DEFINED TERMS**

The following capitalized terms shall have the following meanings when used in the SISP:

- (a) “**Aggregated Bid**” shall have the meaning given to it in paragraph 31;
- (b) “**Approval Motion**” shall have the meaning given to it in paragraph 36;
- (c) “**Auction**” and “**Auctions**” shall have the meaning given to it in paragraph 32;
- (d) “**Auction Bidder**” shall have the meaning given to it in paragraph 32;
- (e) “**Bid Deadline**” shall have the meaning given to it in paragraph 22;
- (f) “**Bloom Lake Business**” means the business relating to the Bloom Lake Mine located in Fermont, Québec, the related port assets located in Pointe-Noire, Québec and the rail assets located in Newfoundland & Labrador;
- (g) “**Bloom Lake CCAA Parties**” shall have the meaning given to it in Recital A
- (h) “**Bloom Lake Initial Order**” shall have the meaning given to it in Recital A;
- (i) ~~(g)~~ “**Business Day**” shall mean any day other than (i) a Saturday or Sunday, or (ii) a day which is a statutory holiday in Montréal, Québec;
- (j) ~~(h)~~ “**Businesses**” shall have the meaning given to it in Recital F and “**Business**” shall mean any one of them;
- (k) ~~(i)~~ “**CCAA**” shall have the meaning given to it in Recital A;
- ~~(j)~~ “**CCAA Parties**” shall have the meaning given to it in Recital B;
- ~~(l)~~ ~~(k)~~ “**CCAA Proceedings**” ~~means the CCAA Parties’ proceedings under the CCAA-~~  
~~commenced by the Initial Order, under Court file no. 500-11-048114-157~~has the meaning  
given to it in Recital A;

- (m) ~~(+)~~ “**Chromite Business**” shall mean the property, assets and undertaking of the Companies related to the chromite mineral claims and “Ring of Fire” projects and the related business of the Companies and certain of their subsidiaries located in Ontario (including Cliffs Chromite Ontario Inc. and Cliffs Chromite Far North Inc.) and certain of their affiliates (including subsidiaries of Cliffs Netherlands B.V. and Cliffs Greene B.V.);
- (n) ~~(+)~~ “**Companies**” shall have the meaning given to it in Recital ~~EB~~ and each shall be a “**Company**”;
- (o) ~~(+)~~ “**Confidentiality Agreement**” shall have the meaning given to it in paragraph 5(c);
- (p) ~~(+)~~ “**Contact List**” shall have the meaning given to it in paragraph 10(a);
- (q) ~~(+)~~ “**Court**” shall have the meaning given to it in Recital A;
- (r) ~~(+)~~ “**Data Room**” shall have the meaning given to it in paragraph 5(d);
- (s) ~~(+)~~ “**Deposit**” shall have the meaning given to it in paragraph 23(e) or 24(f), as applicable;
- (t) ~~(+)~~ “**Form of APA**” means the form of asset purchase agreement to be provided to Qualified Phase I Bidders who submitted an LOI in respect of a Sale Proposal as part of the SISP;
- (u) ~~(+)~~ “**Form of PSA**” means the form of plan sponsorship agreement which may be provided to Qualified Phase I Bidders who submitted an LOI in respect of a Plan Sponsorship Proposal as part of the SISP;
- ~~(+)~~ “**Initial Order**” shall have the meaning given to it in Recital A;
- (v) “**LOI**” shall have the meaning given to it in paragraph 12(b);
- (w) “**LOI Deadline**” shall have the meaning given to it in paragraph 12;
- (x) “**Minimum Overbid Increment**” shall have the meaning given to it in paragraph 35(g)(i);

- (y) “**Monitor**” shall have the meaning given to it in Recital C;
- (z) “**Monitor’s Website**” means the Monitor’s website for the CCAA Proceedings located at <http://cfcanada.fticonsulting.com/bloomlake>;
- ~~(aa) “**Non-CCAA Parties**” shall have the meaning given to it in Recital E;~~
- (aa) ~~(bb)~~ “**Opening Bid**” shall have the meaning given to it in paragraph 35(e);
- (bb) ~~(ee)~~ “**Overbid**” shall have the meaning given to it in paragraph 35(g);
- ~~(dd) “**Petitioners**” shall have the meaning given to it in Recital A;~~
- (cc) ~~(ee)~~ “**Plan**” shall have the meaning given to it in Recital ~~I~~ J;
- (dd) ~~(ff)~~ “**Plan Sponsorship Proposal**” shall have the meaning given to it in paragraph 6;
- (ee) ~~(gg)~~ “**Plan Sponsorship Proposal Bid Criteria**” shall have the meaning given to it in paragraph 27;
- (ff) ~~(hh)~~ “**Plan Sponsorship Proposal LOI Criteria**” shall have the meaning given to it in paragraph 17;
- (gg) ~~(ii)~~ “**Port Business**” means the port facilities and related rail assets located in the Provinces of Newfoundland & Labrador and Québec owned by the Wabush Mines ~~Joint Venture~~;
- (hh) ~~(jj)~~ “**Process Letter**” means a letter from the Sale Advisor to Prospective Bidders outlining, among other things, the SISP process and the SISP timelines and which sets out the contact information for the Sale Advisor and the Monitor for the submission of any LOIs and Qualified Bids;
- (ii) ~~(kk)~~ “**Property**” shall have the meaning given to it in Recital ~~EE~~ F;
- (jj) ~~(H)~~ “**Prospective Bidders**” shall have the meaning given to it in paragraph 10(a), and “**Prospective Bidder**” shall mean any one of them;

- (kk) ~~(mm)~~ “**Qualified Bid**” shall have the meaning given to it in paragraph 23 or 24, as applicable, and “**Qualified Bids**” means more than one of them;
- (ll) ~~(nn)~~ “**Qualified Bidder**” shall mean a person who submits a Qualified Bid pursuant to the SISP, and for greater certainty, includes all Qualified Portion Bidders and “**Qualified Bidders**” means more than one of them;
- (mm) ~~(oo)~~ “**Qualified Phase I Bidder**” shall have the meaning given to it in paragraph 18, and “**Qualified Phase I Bidders**” means more than one of them;
- (nn) ~~(pp)~~ “**Qualified Portion Bid**” shall have the meaning given to it in paragraph 25, and “**Qualified Portion Bids**” means more than one of them;
- (oo) ~~(qq)~~ “**Qualified Portion Bidder**” shall have the meaning given to it in paragraph 25, and “**Qualified Portion Bidders**” shall mean more than one of them;
- (pp) ~~(rr)~~ “**Sale Advisor**” means Moelis & Company LLC, solely in its capacity as sale advisor to the Companies in connection with the SISP;
- (qq) ~~(ss)~~ “**Sale Proposal**” shall have the meaning given to it in paragraph 6;
- (rr) ~~(tt)~~ “**Sale Proposal Bid Criteria**” shall have the meaning given to it in paragraph 26;
- (ss) ~~(uu)~~ “**Sale Proposal LOI Criteria**” shall have the meaning given to it in paragraph 16;
- (tt) ~~(vv)~~ “**Service List**” means the service list in the CCAA Proceedings as posted on the Monitor’s Website, as it may be updated from time to time;
- (uu) ~~(ww)~~ “**SISP Approval Order**” shall have the meaning given to it in Recital D;
- (vv) ~~(xx)~~ “**SISP**” shall have the meaning given to it in Recital D;
- (ww) ~~(yy)~~ “**Successful Bid**” shall have the meaning given to it in paragraph 31 or 35(j), as applicable;

(xx) ~~(zz)~~ “**Successful Bidder**” shall have the meaning given to it in paragraph 31 or 35(j), as applicable;

(yy) ~~(aaa)~~ “**Summary of Businesses**” means a summary of the Businesses prepared by the Companies;

(zz) ~~(bbb)~~ “**Target Closing Date**” shall mean the date or dates determined by the Companies, in consultation with the Sale Advisor and the Monitor, and such later date or dates as the Companies, in consultation with the Sale Advisor and the Monitor, may determine from time to time;

(aaa) ~~(eee)~~ “**Teaser Letter**” shall have the meaning given to it in paragraph 10(d);




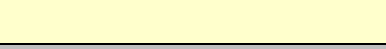

(bbb) “**Wabush Initial Order**” shall have the meaning given to it in Recital B;

(ccc) ~~(ddd)~~ “**Wabush Mine Business**” means the business relating to the Wabush Mine located in the Province of Newfoundland & Labrador owned by the Wabush Mines ~~Joint Venture~~; and

(ddd) ~~(eee)~~ “**Wabush Mines ~~Joint Venture~~**” means the unincorporated joint venture of Wabush Iron Co. Limited and Wabush Resources Inc.

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