

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF PAYLESS SHOESOURCE CANADA INC. AND PAYLESS
SHOESOURCE CANADA GP INC.**

(the "Applicants")

**BOOK OF AUTHORITIES OF THE APPLICANTS
(Plan Sanction Order)
VOLUME 2 OF 2**

October 25, 2019

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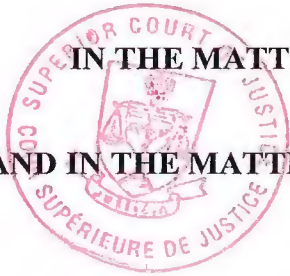
1. *Re Canadian Airlines Corp.*, 2000 ABQB 442.
2. *Re Sammi Atlas Inc.* (1998), 3 C.B.R. (4th) 171 (Ont. S.C.J.).
3. *Re Canwest Global Communications Corp.*, 2010 ONSC 4209.
4. *Re Skylink Aviation*, 2013 ONSC 2519.
5. *Payless ShoeSource Canada Inc. and Payless ShoeSource Canada GP Inc. (Re)*, 2019 ONSC 1215.
6. *Re AbitibiBowater Inc.*, 2010 QCCS 4450.
7. *Olympia & York Developments v. Royal Trust Co.*, 1993 CarswellOnt 182.
8. *In the Matter of a Plan of Compromise or Arrangement of Sears Canada Inc. et al.*, Amended and Restated Receivership Order of the Honourable Justice Hainey dated October 16, 2018, Court File No. CV-17-11846-00CL.
9. *In the Matter of a Plan of Compromise or Arrangement of Victorian Order of Nurses for Canada, Victorian Order of Nurses for Canada – Eastern Region and Victorian Order of Nurses for Canada – Western Region*, Receivership Order of the Honourable Justice Penny dated November 25, 2015, Court File No. CV-15-11192-00CL.
10. *Victorian Order of Nurses for Canada, Re*, 2015 ONSC 7371.
11. *Re Air Canada*, 2004 CarswellOnt 469.
12. *Re Lutheran Church*, 2016 ABQB 419.
13. *Re Metcalfe & Mansfield Alternative Investments II Corp.*, 2008 ONCA 587.
14. *Re Kitchener Frame Ltd.*, 2012 ONSC 234.
15. *Re Cline Mining Corp.*, 2015 ONSC 622.
16. *In the Matter of a Proposed Plan of Compromise or Arrangement of Guestlogix Inc. and Guestlogix Ireland Limited*, Plan Sanction Order of the Honourable Justice Morawetz dated September 12, 2016, Court File No. CV-16-11281-00CL.
17. *In the Matter of a Plan of Compromise or Arrangement of Sino-Forest Corporation*, Plan Sanction Order of the Honourable Justice Morawetz dated December 10, 2012, Court File No. CV-12-9667-00CL.
18. *In the Matter of a Plan of Compromise or Arrangement of Skylink Aviation Inc.*, Plan Sanction Order of the Honourable Justice Morawetz dated April 23, 2013, Court File No. 13-1003300-CL.

19. *In the Matter of a Plan of Compromise or Arrangement of Banro Corporation, Banro Group (Barbados) Limited, Banro Congo (Barbados) Limited, Namoya (Barbados) Limited, Lugushwa (Barbados) Limited, Twangiza (Barbados) Limited and Kamituga (Barbados) Limited*, Plan Sanction Order of the Honourable Justice Hainey dated March 27, 2018, Court File No. CV-17-589016-00CL.

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) **TUESDAY, THE 23RD**
)
JUSTICE MORAWETZ) **DAY OF APRIL, 2013**



**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, c. C-36, AS AMENDED**
**AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
SKYLINK AVIATION INC.**

PLAN SANCTION ORDER

THIS MOTION made by SkyLink Aviation Inc. (the "**Applicant**") for an order (the "**Plan Sanction Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), sanctioning the plan of compromise and arrangement dated April 18, 2013, which is attached as **Schedule "A"** hereto (and as it may be further amended, varied or supplemented from time to time in accordance with the terms thereof, the "**Plan**"), was heard on April 23, 2013 at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Jan Ottens sworn April 21, 2013 (the "**Ottens Affidavit**"), filed, the second report (the "**Second Report**") of Duff & Phelps Canada Restructuring Inc. in its capacity as monitor of the Applicant (the "**Monitor**"), filed, and the third report of the Monitor (the "**Third Report**"), filed, and on hearing the submissions of counsel for each of the Applicant, the Monitor, the Initial Consenting Noteholders and DIP Lenders, and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service, filed.

DEFINED TERMS

1. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Plan Sanction Order shall have the meanings ascribed to such terms in the Plan and the Meetings Order granted by this Court on March 8, 2013 (the “**Meetings Order**”), as applicable.

SERVICE, NOTICE AND MEETING

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record in support of this motion, the Second Report and the Third Report be and are hereby abridged and validated so that the motion is properly returnable today and service upon any interested party other than those parties served is hereby dispensed with.
3. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient notice, service and delivery of the Meetings Order and the Information Package (including, without limitation, the Plan) to all Persons upon which notice, service and delivery was required.
4. **THIS COURT ORDERS AND DECLARES** that the Meetings were duly convened and held on April 19, 2013, all in conformity with the CCAA and the Initial Order granted by this Court on March 8, 2013 (the “**Initial Order**”), the Meetings Order, and the Claims Procedure Order granted by this Court on March 8, 2013 (the “**Claims Procedure Order**”), and collectively with the Initial Order and the Meetings Order, the “**Orders**”).
5. **THIS COURT ORDERS AND DECLARES** that: (i) the hearing of the Plan Sanction Order was open to all of the Affected Creditors and all other Persons with an interest in the Applicant and that such Affected Creditors and all such other Persons were permitted to be heard at the hearing in respect of the Plan Sanction Order; and (ii) prior to the hearing, all of the Affected Creditors and all such other Persons on the service list in respect of the CCAA Proceedings were given notice thereof.

SANCTION OF THE PLAN

6. **THIS COURT DECLARES** that the relevant classes of Affected Creditors of the Applicant for the purpose of voting to approve the Plan are the Secured Noteholders Class and the Affected Unsecured Creditors Class.
7. **THIS COURT DECLARES** that the Plan, and all the terms and conditions thereof, and matters and transactions contemplated thereby, are fair and reasonable.
8. **THIS COURT ORDERS AND DECLARES** that the Plan has been approved by the Required Majorities of Affected Creditors in each Voting Class, as required by the Meetings Order, and in conformity with the CCAA.
9. **THIS COURT ORDERS AND DECLARES** that the activities of the Applicant have been in compliance with the provisions of the CCAA and the Orders of the Court made in the CCAA Proceedings, and the Court is satisfied that the Applicant has not done or purported to do anything that is not authorized by the CCAA.
10. **THIS COURT ORDERS** that the Plan is hereby sanctioned and approved pursuant to section 6 of the CCAA.

PLAN IMPLEMENTATION

11. **THIS COURT ORDERS AND DECLARES** that the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are hereby approved and shall be deemed to be implemented, binding and effective in accordance with the provisions of the Plan as of the Plan Implementation Date at the time or times and in the manner set forth in the Plan, and shall inure to the benefit of and be binding upon the Applicant, the Released Parties, the Affected Creditors, the Directors and Officers, any Person with a Director/Officer Claim or a Released Claim, and all other Persons and parties named or referred to in, affected by, or subject to the Plan, including, without limitation, their respective heirs, administrators, executors, legal representatives, successors, and assigns.

12. **THIS COURT ORDERS** that each of the Applicant and the Monitor are authorized and directed to take all steps and actions, and do all things, necessary or appropriate to implement the Plan in accordance with its terms and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, deliveries, allocations, and agreements contemplated by the Plan, and such steps and actions are hereby authorized, ratified and approved. Neither the Applicant nor the Monitor shall incur any liability as a result of acting in accordance with the terms of the Plan and the Plan Sanction Order.
13. **THIS COURT ORDERS** that the Applicant, the Monitor, the First Lien Agent, the Secured Note Indenture Trustee, the New Second Lien Notes Indenture Trustee, CDS, the CDS Participants and any other Person required to make any distributions, deliveries or allocations or take any steps or actions related thereto pursuant to the Plan are hereby authorized and directed to complete such distributions, deliveries or allocations and to take any such related steps or actions, as the case may be, in accordance with the terms of the Plan, and such distributions, deliveries and allocations, and steps and actions related thereto, are hereby approved.
14. **THIS COURT ORDERS** that upon the satisfaction or waiver of the conditions precedent set out in section 9.1 of the Plan in accordance with the terms of the Plan, as confirmed by the Applicant and the Majority Initial Consenting Noteholders (or their respective counsel) in writing, the Monitor is authorized and directed to deliver to the Initial Consenting Noteholders and the Applicant (or their respective counsel) a certificate substantially in the form attached hereto as **Schedule "B"** (the "**Monitor's Certificate**") signed by the Monitor, certifying that the Plan Implementation Date has occurred and that the Plan is effective in accordance with its terms and the terms of the Plan Sanction Order. The Monitor shall file the Monitor's Certificate with this Court promptly following the Plan Implementation Date.
15. **THIS COURT ORDERS** that the Applicant, the Monitor and the Majority Initial Consenting Noteholders are hereby authorized and empowered to exercise all consent

and approval rights provided for in the Plan in the manner set forth in the Plan, whether prior to or after the Plan Implementation Date.

16. **THIS COURT ORDERS** that the steps to be taken and the compromises and releases to be effected on the Plan Implementation Date are and shall be deemed to occur and be effected in the sequential order and at the times contemplated in section 5.4 of the Plan, without any further act or formality, on the Plan Implementation Date, beginning at the Effective Time.
17. **THIS COURT ORDERS** that the New Shareholders' Agreement shall be effective and binding on all holders of the New Common Shares and any Persons entitled to receive New Common Shares pursuant to the Plan immediately upon issuance of the New Common Shares to such Persons, with the same force and effect as if such Persons were signatories to the New Shareholders' Agreement.
18. **THIS COURT ORDERS** that, subject to the payment of any amounts secured by the Charges that remain owing on the Plan Implementation Date, if any, each of the Charges shall be terminated, discharged and released on the Plan Implementation Date.

COMPROMISE OF CLAIMS AND EFFECT OF PLAN

19. **THIS COURT ORDERS** that, pursuant to and in accordance with the terms of the Plan, on the Plan Implementation Date, any and all Affected Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred, subject only to the right of the applicable Persons to receive the distributions to which they are entitled pursuant to the Plan.
20. **THIS COURT ORDERS AND DECLARES** that on the Plan Implementation Date, pursuant to and in accordance with the Plan, the Applicant shall be forever released and discharged from any and all obligations in respect of the Affected Claims and the ability of any Person to proceed against the Applicant in respect of or relating to any Affected Claims shall be permanently and forever barred, estopped, stayed and enjoined, and all proceedings with respect to, in connection with or relating to such Affected Claims shall

be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims.

21. **THIS COURT ORDERS** that, without limiting the provisions of the Claims Procedure Order or the Meetings Order, any Person that did not file a Proof of Claim, a Notice of Dispute or a Notice of Dispute of Revision or Disallowance, as applicable, by the Claims Bar Date or such other bar date provided for in the Claims Procedure Order, as applicable, whether or not such Affected Creditor received direct notice of the claims process established by the Claims Procedure Order, shall be and is hereby forever barred from making any Claim or any Director/Officer Claim and shall not be entitled to any distribution under the Plan, and such Person's Claim or Director/Officer Claim, as applicable, shall be and is hereby forever barred and extinguished. Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date or any other bar date provided for in the Claims Procedure Order, or gives or shall be interpreted as giving any rights to any Person in respect of Claims or Director/Officer Claims that have been barred or extinguished pursuant to the Claims Procedure Order, the Plan, this Plan Sanction Order, or the Meetings Order.
22. **THIS COURT ORDERS** that, notwithstanding anything to the contrary in the Plan or paragraphs 21, 23, 24 and 34 hereof, and based on the consent of the Applicant and the Monitor, any Person having a claim that is expressly designated as an "Excluded Claim" in a settlement agreement entered into between the Applicant and such Person after the Filing Date and prior to April 19, 2013 (each a "**CCAA Settlement Agreement**") shall be permitted to file a statement of claim in respect of such Excluded Claim for the purpose of preserving such Person's rights to pursue such Excluded Claim in accordance with, and subject to, the terms, conditions and limitations of such CCAA Settlement Agreement and on the basis that there shall be no recourse whatsoever, directly or indirectly, to the Applicant or any of the SkyLink Subsidiaries or their respective assets or property in respect of such Excluded Claim.
23. **THIS COURT ORDERS** that, pursuant to and in accordance with the terms of the Plan, on the Plan Implementation Date, any and all Released Director/Officer Claims shall be

fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred, subject to sections 3.7(b) and 7.1(b) of the Plan and subject to paragraph 22 of this Plan Sanction Order.

24. **THIS COURT ORDERS AND DECLARES** that, on the Plan Implementation Date, pursuant to and in accordance with the terms of the Plan, the ability of any Person to proceed against the Released Directors/Officers in respect of or relating to any Released Directors/Officers Claims shall be permanently and forever barred, estopped, stayed and enjoined, and all proceedings with respect to, in connection with or relating to such Released Director/Officer Claims shall be permanently stayed, subject to section 7.3 of the Plan and subject to paragraph 22 of this Plan Sanction Order.
25. **THIS COURT ORDERS** that, on the Plan Implementation Date, each Affected Creditor and any person having a Released Claim shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety, and each Affected Creditor and any Person having a Released Claim shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.
26. **THIS COURT ORDERS** that, pursuant to section 6(2) of the CCAA, the Articles of the Applicant shall be amended on the Plan Implementation Date in accordance with the Articles of Reorganization.
27. **THIS COURT ORDERS** that (i) in accordance with the Articles of Reorganization, any fractional Class A Shares held by any holder of Class A Shares immediately following the consolidation of the Class A Shares referred to in section 5.4(j) of the Plan shall be cancelled without any liability, payment or other compensation in respect thereof; and (ii) all Equity Interests (for greater certainty, not including any Class A Shares that remain issued and outstanding immediately following the cancellation of fractional interests pursuant to section 5.4(k) of the Plan) and the Shareholder Agreement shall be cancelled without any liability, payment or other compensation in respect thereof.

28. **THIS COURT ORDERS AND DECLARES** that, subject to performance by the Applicant of its obligations under the Plan and except as provided in the Plan, all obligations, agreements or leases to which any of the Applicant or the SkyLink Companies is a party on the Plan Implementation Date shall be and remain in full force and effect, unamended, as at the Plan Implementation Date and no party to any such obligation or agreement shall on or following the Plan Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason: (i) of any event which occurred prior to the Plan Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies; (ii) that the Applicant has sought or obtained relief or has taken steps in connection with the Plan or under the CCAA; (iii) of any default or event of default arising as a result of the financial condition or insolvency of the Applicant on or prior to the Plan Implementation Date; (iv) of the effect upon the Applicant of the completion of any of the transactions contemplated under the Plan; or (v) of any compromises, settlements, restructurings, recapitalizations or reorganizations effected pursuant to the Plan.
29. **THIS COURT ORDERS AND DECLARES** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any non-competition or non-solicitation agreement or obligation in respect of the Applicant that exists on the Plan Implementation Date, including for greater certainty any non-competition or non-solicitation agreement or obligation that is expressly preserved or continued pursuant to a CCAA Settlement Agreement, provided that any such agreement or obligation shall terminate or expire in accordance with the terms thereof or as otherwise agreed by the Applicant and the applicable Persons.
30. **THIS COURT ORDERS** that, on the Plan Implementation Date, following completion of the steps in the sequence set forth in section 5.4 of the Plan, all debentures, notes, certificates, agreements, invoices and other instruments evidencing Affected Claims (including, for greater certainty, the Secured Notes) shall not entitle any holder thereof to

any compensation or participation and shall be and are hereby deemed to be cancelled and shall be and are hereby deemed to be null and void.

RELEASES AND INJUNCTIONS

31. **THIS COURT ORDERS** that, subject to paragraph 32 of this Plan Sanction Order, on the Plan Implementation Date, in accordance with section 7.1 of the Plan and the sequence set forth in section 5.4 of the Plan, the Released Parties shall be released and discharged from any and all Released Claims, and all Released Claims shall be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, all to the fullest extent permitted by Applicable Law.
32. **THIS COURT ORDERS** that, notwithstanding paragraph 31 of this Plan Sanction Order, Insured Claims and Director/Officer Wages Claims shall not be compromised, released, discharged, cancelled or barred by this Plan Sanction Order or the Plan, provided that from and after the Plan Implementation Date, any Person having, or claiming any entitlement or compensation relating to, an Insured Claim or a Director/Officer Wages Claim will be irrevocably limited to recovery in respect of such Insured Claim or Director/Officer Wages Claim solely from the proceeds of the applicable Insurance Policies, and Persons with any Insured Claim or Director/Officer Wages Claims will have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from the Applicant, any SkyLink Subsidiary, any Released Director/Officer or any other Released Party, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. Nothing in this Plan Sanction Order prejudices, compromises, releases or otherwise affects any right or defence of any insurer in respect of an Insurance Policy or any insured in respect of an Insured Claim or a Director/Officer Wages Claim.
33. **THIS COURT ORDERS** that on the Plan Implementation Date, all Persons shall be permanently and forever barred, estopped, stayed and enjoined with respect to any and all Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, 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; (ii) 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; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common 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; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of the Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan.

34. **THIS COURT ORDERS** that on the Plan Implementation Date, all Persons shall be permanently and forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with in respect of any Insured Claim or Director/Officer Wages Claim, except as against the applicable insurer(s) to the extent that rights to enforce such Insured Claims and/or Director/Officer Wages Claims against such insurer(s) in respect of an Insurance Policy are expressly preserved pursuant to sections 3.5(b), 3.7(b) and/or 7.1(b) of the Plan, and provided that, notwithstanding the restrictions on making a claim that are set forth in sections 3.5(b), 3.7(b) and 7.1(b) of the Plan, any claimant in respect of an Insured Claim or a Director/Officer Wages Claim that was duly filed with the Monitor by the Claims Bar Date shall be permitted to file a statement of claim in respect thereof to the extent necessary solely for the purpose of preserving such claimant's ability to pursue such Insured Claim or Director/Officer Wages Claim against an insurer in respect of an Insurance Policy in the manner authorized pursuant to sections 3.5(b), 3.7(b) and/or

7.1(b) of the Plan. For greater certainty, nothing in this paragraph 34 restricts or limits the application of paragraph 22 of this Plan Sanction Order.

THE MONITOR

35. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA and the powers provided to the Monitor herein and in the Plan, shall be and is hereby authorized, directed and empowered to perform its functions and fulfill its obligations under the Plan to facilitate the implementation of the Plan.
36. **THIS COURT ORDERS** that (i) in carrying out the terms of this Plan Sanction Order and the Plan, the Monitor shall have all the protections given to it by the CCAA, the Initial Order, and as an officer of the Court, including the stay of proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Plan Sanction Order and/or the Plan, save and except for any gross negligence or wilful misconduct on its part; (iii) the Monitor shall be entitled to rely on the books and records of the Applicant and any information provided by the Applicant without independent investigation; and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.
37. **THIS COURT ORDERS** that upon completion by the Monitor of its duties in respect of the Applicant pursuant to the CCAA, the Plan and the Orders, the Monitor may file with the Court a certificate stating that all of its duties in respect of the Applicant pursuant to the CCAA, the Plan and the Orders have been completed and thereupon, Duff & Phelps Canada Restructuring Inc. shall be deemed to be discharged from its duties as Monitor and released of all claims relating to its activities as Monitor.

BOARD OF DIRECTORS OF SKYLINK AVIATION INC.

38. **THIS COURT ORDERS AND DECLARES** that the Persons to be appointed to the board of directors on the Plan Implementation Date are Harry Green, Rael Nurick, Andrew Hamlin and Philip Hampson or such other persons listed on a certificate filed with the Court by the Applicant prior to the Plan Implementation Date, provided that such certificate and the Persons listed thereon shall be subject to the prior written consent

of the Majority Initial Consenting Noteholders. Concurrently with the appointment of such directors, all directors serving immediately prior to the Plan Implementation Date shall be deemed to resign.

SEALING ORDER

39. **THIS COURT ORDERS** that the Confidential Appendix #1 to the Third Report be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice which sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

EXTENSION OF THE STAY OF PROCEEDINGS

40. **THIS COURT ORDERS** that the Stay Period, as such term is defined in and used throughout the Initial Order, be and is hereby extended to and including 11:59 p.m. on May 31, 2013, and that all other terms of the Initial Order shall remain in full force and effect, unamended, except as may be required to give effect to this paragraph or otherwise provided in the Plan or this Plan Sanction Order.

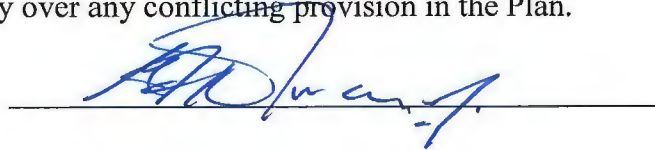
EFFECT, RECOGNITION AND ASSISTANCE

41. **THIS COURT ORDERS** that the Applicant and the Monitor may apply to this Court for advice and direction with respect to any matter arising from or under the Plan or this Plan Sanction Order.
42. **THIS COURT ORDERS** that this Plan Sanction Order shall have full force and effect in all provinces and territories of Canada and abroad as against all persons and parties against whom it may otherwise be enforced.
43. **THIS COURT REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or in any other foreign jurisdiction, to give effect to this Order or to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such

orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant or the Monitor and their respective agents in carrying out the terms of this Order.

GENERAL

44. **THIS COURT ORDERS** that this Plan Sanction Order shall be posted on the Monitor's Website at <http://www.duffandphelps.com/services/restructuring/Pages/RestructuringCases.aspx> and is only required to be served upon the parties on the Service List and those parties who appeared at the hearing of the motion for this Plan Sanction Order.
45. **THIS COURT ORDERS AND DECLARES** that any conflict or inconsistency between the Plan and this Plan Sanction Order shall be governed by the terms, conditions and provisions of the Plan, which shall take precedence and priority, provided that any provision of this Plan Sanction Order that expressly provides that it supersedes the provisions of the Plan or that it operates notwithstanding anything to the contrary in the Plan shall take precedence and priority over any conflicting provision in the Plan.



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:



APR 23 2013

Schedule "A"
(Plan of Compromise and Arrangement)

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
SKYLINK AVIATION INC.

APPLICANT

PLAN OF COMPROMISE AND ARRANGEMENT
pursuant to the *Companies' Creditors Arrangement Act*
concerning, affecting and involving

SKYLINK AVIATION INC.

APRIL 18, 2013

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PLAN OF COMPROMISE AND ARRANGEMENT

WHEREAS SkyLink Aviation Inc. (the “**Applicant**” or “**SkyLink Aviation**”) is a debtor company under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”);

AND WHEREAS the Applicant has entered into a Recapitalization Support Agreement dated March 7, 2013 (as it may be amended, restated and varied from time to time in accordance with the terms thereof, the “**Support Agreement**”), between the Applicant and certain parties (the “**Consenting Noteholders**” and each a “**Consenting Noteholder**”) that are holders of, and/or investment advisors or managers with investment discretion over, the \$110 million aggregate principal amount of 12.25% senior secured second lien notes due 2016 issued by SkyLink Aviation (the “**Secured Notes**”);

AND WHEREAS the Support Agreement contemplates the implementation of the Recapitalization (as defined below) pursuant to a plan of compromise and arrangement under the CCAA, which plan will provide for, among other things, the exchange of the Secured Notes for new equity and new notes in SkyLink Aviation, which is expected to result in, among other things, greater liquidity for, and the continued viability of, the Applicant;

AND WHEREAS the Applicant obtained an order (as may be amended, restated or varied from time to time, the “**Initial Order**”) of the Ontario Superior Court of Justice (the “**Court**”) under the CCAA dated March 8, 2013 (the “**Filing Date**”);

AND WHEREAS the Applicant filed a plan of compromise and arrangement with the Court on March 8, 2013 under and pursuant to the CCAA, and the Applicant has made certain amendments thereto in accordance with the terms thereof and hereby proposes and presents this amended plan of compromise and arrangement to the Affected Unsecured Creditors Class (as defined below) and the Secured Noteholders Class (as defined below) under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

In the Plan, unless otherwise stated or unless the subject matter or context otherwise requires:

“**Affected Claim**” means any Claim that is not an Unaffected Claim, and, for greater certainty, includes any Equity Claim.

“**Affected Creditor**” means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim, including Secured Noteholders who have beneficial ownership of an Affected Claim pursuant to the Secured Notes.

“**Affected Unsecured Claims**” means all Affected Claims other than (i) the Claims comprising the Secured Noteholders Allowed Secured Claim and (ii) Equity Claims, and for the avoidance of doubt includes the Claims comprising the Secured Noteholders Allowed Unsecured Claim.

“**Affected Unsecured Creditor**” means any holder of an Affected Unsecured Claim, but only with respect to and to the extent of such Affected Unsecured Claim.

“**Affected Unsecured Creditors Class**” means the class of Affected Unsecured Creditors entitled to vote on this Plan at the Unsecured Creditors Meeting in accordance with the terms of the Meetings Order.

“**Agreed Number**” means, with respect to the New Common Shares, that number of New Common Shares to be issued on the Plan Implementation Date pursuant to the Plan as agreed to by the Applicant, the Monitor and the Majority Initial Consenting Noteholders.

“**Allowed**” means, with respect to a Claim, any Claim or any portion thereof that has been finally allowed as a Distribution Claim (as defined in the Claims Procedure Order) for purposes of receiving distributions under the Plan in accordance with the Claims Procedure Order or a Final Order of the Court.

“**Applicable Law**” means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity.

“**Articles**” means the articles of amalgamation of SkyLink Aviation.

“**Articles of Amalgamation**” means the articles of amalgamation pursuant to the OBCA, the form and substance as agreed by the Applicant and the Majority Initial Consenting Noteholders, to effectuate the amalgamation of SkyLink Aviation and SkyLink Canadian Subsidiary.

“**Articles of Reorganization**” means the articles of reorganization pursuant to the OBCA, the form and substance as agreed by the Applicant, the Monitor and the Majority Initial Consenting Noteholders, to be filed by the Applicant on the Plan Implementation Date amending the Articles in accordance with the Plan.

“**Business Day**” means a day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario and New York, New York.

“**Canadian Tax Act**” means the *Income Tax Act* (Canada), as amended.

“**CCAA**” has the meaning ascribed thereto in the recitals.

“**CCAA Proceeding**” means the proceeding commenced by the Applicant under the CCAA on the Filing Date.

“**CDS**” means CDS Clearing and Depository Services Inc. or any successor thereof.

“**CDS Participants**” has the meaning ascribed thereto in section 4.1(c)(A).

“**Charges**” means the Administration Charge, the Directors’ Charge, the KERP Charge and the DIP Lenders’ Charge, each as defined in the Initial Order.

“Claim” means:

- (a) any right or claim of any Person against the Applicant, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of the Applicant in existence on the Filing Date, and costs payable in respect thereof to and including the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, 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 for 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 which existed prior to the Filing Date and any other claims that would have been claims provable in bankruptcy had the Applicant become bankrupt on the Filing Date, including for greater certainty any Equity Claim and any claim for indemnification by any Director or Officer in respect of a Director/Officer Claim (but excluding any such claim for indemnification that is covered by the Directors’ Charge (as defined in the Initial Order)); and
- (b) any right or claim of any Person against the Applicant in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Applicant to such Person arising out of the restructuring, disclaimer, resiliation, termination or breach by the Applicant on or after the Filing Date of any contract, lease or other agreement whether written or oral,

provided that, for greater certainty, the definition of “Claim” shall not include any Director/Officer Claim.

“Claims Bar Date” has the meaning ascribed thereto in the Claims Procedure Order.

“Claims Procedure Order” means the Order under the CCAA establishing a claims procedure in respect of the Applicant, as same may be further amended, restated or varied from time to time.

“Class A Shares” means the common shares in the capital of SkyLink Aviation designated in the Articles as Class A Common Shares.

“Class B Shares” means the common shares in the capital of SkyLink Aviation designated in the Articles as Class B Common Shares.

“Company Advisors” means Goodmans LLP and Ernst & Young Inc.

“Company Stock Option Plans” means the 2008 Stock Award Plan adopted by SL Aviation Bidco Inc. (as predecessor to SkyLink Aviation) on November 6, 2008, and any other options plans or other obligations of the Applicant in respect of options or warrants for equity in SkyLink

Aviation, in each case as such plan or other obligation may be amended, restated or varied from time to time in accordance with the terms thereof.

“**Consenting Noteholder**” has the meaning ascribed thereto in the recitals.

“**Consolidation Ratio**” means, with respect to the Class A Shares, the ratio by which Class A Shares outstanding on the Plan Implementation Date at the relevant time (including, for the avoidance of doubt, any Class A Shares that are Existing Shares and New Common Shares issued pursuant to the Plan) are consolidated pursuant to the Plan, as agreed by the Applicant, the Monitor and the Majority Initial Consenting Noteholders.

“**Court**” has the meaning ascribed thereto in the recitals.

“**Creditor**” means any Person having a Claim, but only with respect to and to the extent of such Claim, including the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with the Claims Procedure Order or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person.

“**DIP Agreement**” means the debtor-in-possession credit agreement between the Applicant, as borrower, the SkyLink Guarantors, as guarantors, and the DIP Lenders, as such agreement may be modified, amended or supplemented in accordance with the terms thereof, the Initial Order or any other Order of the Court, which DIP Agreement will cease to be a debtor-in-possession credit agreement and will take effect as a new first lien credit agreement on the Plan Implementation Date in accordance with the terms hereof and thereof, and, accordingly, any reference herein to the DIP Agreement also means the New First Lien Credit Agreement, as applicable.

“**DIP Backstop**” means the commitment to fund the entire DIP Loan Amount provided by the DIP Backstop Parties subject to the terms of and in accordance with the DIP Backstop Commitment Letter.

“**DIP Backstop Commitment Letter**” means the commitment letter entered into by SkyLink Aviation and the DIP Backstop Parties pursuant to which the DIP Backstop Parties have committed to funding the entire DIP Loan Amount, subject to and in accordance with the terms thereof.

“**DIP Backstop Parties**” means those Noteholders that have executed the Support Agreement and are signatories to the DIP Backstop Commitment Letter, and “**DIP Backstop Party**” means any one of them.

“**DIP Backstop Party’s Pro Rata Share**” means with respect to each DIP Backstop Party, (x) the amount of the DIP Backstop committed by such DIP Backstop Party pursuant to the DIP Backstop Commitment Letter divided by (y) the DIP Loan Amount.

“**DIP Facility**” means the interim financing facility committed by the DIP Lenders pursuant to the DIP Agreement.

“**DIP Lenders**” means, collectively, the DIP Backstop Parties and the Qualifying Noteholders who become lenders of the DIP Facility under the DIP Agreement in accordance with the terms of the Initial Order, and “**DIP Lender**” means any one of them.

“**DIP Loan Amount**” means US\$18 million.

“**Directors**” means all current and former directors (or their estates) of the Applicant, in such capacity, and “**Director**” means any one of them.

“**Director/Officer Claim**” means any right or claim of any Person against one or more of the Directors or Officers of the Applicant howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, 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 for 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, including any right of contribution or indemnity, for which any Director or Officer of the Applicant is alleged to be by statute or otherwise by law liable to pay in his or her capacity as a Director or Officer.

“**Director/Officer Wages Claim**” means the Director/Officer Claims for unpaid employment remuneration delivered to the Monitor on or prior to 5:00 p.m. (Toronto Time) on March 28, 2013 in accordance with the Claims Procedure Order, which are described on Schedule “D” hereto.

“**Disputed Distribution Claim**” means an Affected Unsecured Claim (including a contingent Affected Unsecured Claim which may crystallize upon the occurrence of an event or events occurring after the Filing Date) or such portion thereof which has not been Allowed, which is validly disputed for distribution purposes in accordance with the Claims Procedure Order and which remains subject to adjudication for distribution purposes in accordance with the Claims Procedure Order.

“**Disputed Distribution Claims Reserve**” means the reserve, if any, to be established by the Applicant on the Unsecured Promissory Note Maturity Date, which shall be comprised of the Unsecured Promissory Note Proceeds that would have been paid in respect of Unsecured Promissory Note Entitlements, if such Disputed Distribution Claims had been Allowed Claims as of such date.

“**Distribution Date**” means the date or dates from time to time set in accordance with the provisions of the Plan to effect distributions in respect of the Allowed Claims, excluding the Initial Distribution Date, and in the case of distributions from Unsecured Promissory Note Proceeds, means the Unsecured Promissory Note Maturity Date or such later date from time to time in accordance with the provisions of the Plan if any Affected Unsecured Claim is a Disputed Distribution Claim on the Unsecured Promissory Note Maturity Date.

“**Effective Time**” means 12:01 a.m. (Toronto time) on the Plan Implementation Date or such other time on such date as the Applicant and the Majority Initial Consenting Noteholders may agree.

“Employee Priority Claims” means the following Claims of Employees and former employees of SkyLink Aviation:

- (c) Claims equal to the amounts that such Employees and former employees would have been entitled to receive under paragraph 136(l)(d) of the *Bankruptcy and Insolvency Act* (Canada) if SkyLink Aviation had become bankrupt on the Filing Date; and
- (d) Claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the Plan Implementation Date together with, in the case of travelling salespersons, disbursements properly incurred by them in and about SkyLink Aviation’s business during the same period.

“Employees” means any and all (a) employees of SkyLink Aviation who are actively at work (including full-time, part-time or temporary employees) and (b) employees of SkyLink Aviation who are on approved leaves of absence (including maternity leave, parental leave, short-term disability leave, workers’ compensation and other statutory leaves), and who have not tendered notice of resignation as of the Filing Date, in each case.

“Encumbrance” means any charge, mortgage, lien, pledge, claim, restriction, hypothec, adverse interest, security interest or other encumbrance whether created or arising by agreement, statute or otherwise at law, attaching to property, interests or rights and shall be construed in the widest possible terms and principles known under the law applicable to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under the laws of the Province of Ontario.

“Equity Claim” means a Claim that meets the definition of “equity claim” in section 2(1) of the CCAA.

“Equity Claimants” means any Person with an Equity Claim or holding an Equity Interest, but only in such capacity, and for greater certainty includes the Existing Shareholders in their capacity as such.

“Equity Interests” has the meaning ascribed thereto in section 2(1) of the CCAA and, for greater certainty, includes the Existing Shares, the shares in the capital of the Applicant referred to in the Articles as the “Class B Common Shares”, the Options and any other interest in or entitlement to shares in the capital of the Applicant but, for greater certainty, does not include the New Common Shares issued on the Plan Implementation Date in accordance with the Plan.

“Existing Shareholder” means any Person who holds or is entitled to the Existing Shares or any shares in the authorized capital of the Applicant immediately prior to the Effective Time, but only in such capacity, and for greater certainty does not include any Person that is issued New Common Shares on the Plan Implementation Date, in such capacity.

“Existing Shares” means all shares in the capital of SkyLink Aviation that are issued and outstanding immediately prior to the Effective Time.

“Expense Reimbursement” means the reasonable and documented fees and expenses of the Noteholder Advisors (to the extent not already satisfied by the Applicant).

“**Filing Date**” has the meaning ascribed thereto in the recitals.

“**Final Order**” means any order, ruling or judgment of the Court, or any other court of competent jurisdiction, which has not been reversed, modified or vacated, and is not subject to any stay.

“**First Lien Agent**” means Deans Knight Capital Management Ltd., in its capacity as agent of the First Lien Credit Facility.

“**First Lien Credit Agreement**” means the credit agreement dated as of March 15, 2011 between, among others, the Applicant, as borrower, and the SkyLink Guarantors, as guarantors, as amended and modified from time to time, which credit agreement was assigned to and assumed by the First Lien Agent and the First Lien Lenders pursuant to a Loan Purchase Agreement dated as of February 28, 2013.

“**First Lien Credit Facility**” means the credit facility provided pursuant to the First Lien Credit Agreement.

“**First Lien Lenders**” means the lenders pursuant to the First Lien Credit Facility, at the relevant time, in their capacity as such.

“**Fractional Interests**” has the meaning given in section 4.10 hereof.

“**Government Priority Claims**” means all Claims of Governmental Entities against the Applicant in respect of amounts that are outstanding and that are of a kind that could reasonably be subject to a demand under:

- (a) subsections 224(1.2) of the Canadian Tax Act;
- (b) any provision of the Canada Pension Plan or the *Employment Insurance Act* (Canada) that refers to subsection 224(1.2) of the Canadian Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan, or employee’s premium or employer’s premium as defined in the *Employment Insurance Act* (Canada), or a premium under Part VII. I 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 Canadian 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, where 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 Canadian 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.

“**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.

“**Incentive Plan**” has the meaning ascribed thereto in section 5.4(m).

“**Information Statement**” means the information statement distributed (or to be distributed) by SkyLink Aviation concerning the Plan, the Meetings and the hearing in respect of the Sanction Order, as contemplated in the Meetings Order.

“**Initial Consenting Noteholder’s Pro-Rata Share**” means with respect to each Initial Consenting Noteholder, (x) the principal amount of Secured Notes held by such Initial Consenting Noteholder as at the relevant date divided by (y) the aggregate principal amount of Secured Notes held by all of the Initial Consenting Noteholders collectively.

“**Initial Consenting Noteholders**” means those Secured Noteholders that were the original signatories to the Support Agreement (as distinct from a Support Agreement Joinder).

“**Initial Distribution Date**” means a date no more than two (2) Business Days after the Plan Implementation Date or such other date as the Applicant, the Monitor and the Majority Initial Consenting Noteholders may agree.

“**Initial Order**” has the meaning ascribed thereto in the recitals.

“**Insurance Policy**” means any insurance policy maintained by SkyLink Aviation pursuant to which SkyLink Aviation or any Director or Officer is insured.

“**Insured Claim**” means all or that portion of a Claim arising from a cause of action for which the applicable insurer has definitively and unconditionally confirmed that SkyLink Aviation is insured under an Insurance Policy, to the extent that such Claim, or portion thereof, is so insured.

“**Intercompany Claim**” means any claim by any SkyLink Company or related entity against SkyLink Aviation.

“**IPSA**” means the Interest Payment Support Agreement dated as of September 17, 2012, as amended and supplemented from time to time, among the IPSA Noteholder Participants, SkyLink Aviation and certain guarantors party to the Secured Note Indenture.

“**IPSA Noteholder Participants**” means those Secured Noteholders that executed the IPSA.

“**KERP**” means the payments to be made to certain key employees of the Applicant upon the implementation of the Plan, as described in the key employee retention plan letters attached to,

and filed with the Court together with, the confidential supplement to the Pre-Filing Report of the Monitor dated as of the Filing Date.

“Majority Initial Consenting Noteholders” means Initial Consenting Noteholders holding not less than a majority of the principal amount of the Notes held by all Initial Consenting Noteholders, in each case as communicated to the Applicant by counsel to the Initial Consenting Noteholders, in accordance with section 10.6 hereof.

“Material” means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of the Applicant (taken as a whole).

“Material Adverse Effect” means a fact, event, change, occurrence or circumstance that, individually or together with any other fact, event, change, occurrence or circumstance, has, or could reasonably be expected to have, a material adverse impact on the business, assets, liabilities, capitalization, obligations (whether absolute, accrued, conditional or otherwise), condition (financial or otherwise), operations or prospects of the Applicant and its subsidiaries (taken as a whole) and shall include, without limitation, the disposition by the Applicant or any of its subsidiaries of any material asset without the prior consent of the Majority Initial Consenting Noteholders; provided, however, that a Material Adverse Effect shall not include, and shall be deemed to exclude the impact of: (A) any change in Applicable Laws of general applicability or interpretations thereof by courts or governmental or regulatory authorities, which does not disproportionately adversely affect the Applicant or its subsidiaries (taken as a whole), (B) any change in the aviation transport and logistics services industry generally, which does not disproportionately adversely affect the Applicant or its subsidiaries (taken as a whole), (C) actions and omissions of the Applicant taken with the prior written consent of the Majority Initial Consenting Noteholders or required pursuant to the Support Agreement, the Plan or any related document, (D) the public announcement of the Support Agreement, the DIP Agreement, the Plan or any related document or the transactions contemplated by thereby, (E) SkyLink Aviation entering into the DIP Agreement, (F) the CCAA Proceedings, (G) any material change in the market price or trading volume of the Secured Notes or Equity Interests (it being understood that any cause or causes of any such change may be taken into consideration when determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur), (H) any act of war, armed hostilities or terrorism or any worsening thereof, which does not disproportionately adversely affect the Applicant or its subsidiaries (taken as a whole), or (I) any material failure by the Applicant to meet internal projections or forecasts or third party revenue or earnings predictions for any period (it being understood that any cause or causes of any such failure may be taken into consideration when determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur).

“Meeting Date” means the date on which the Meetings are held in accordance with the Meetings Order.

“Meetings” means, collectively, the Unsecured Creditors Meeting and the Secured Noteholders Meeting.

“**Meetings Order**” means the Order under the CCAA that, among other things, sets the date for the Meetings, as same may be amended, restated or varied from time to time.

“**Monitor**” means Duff & Phelps Canada Restructuring Inc., as Court-appointed Monitor in the CCAA Proceeding of the Applicant.

“**New Common Shares**” means the new Class A Shares of SkyLink Aviation to be issued pursuant to section 5.2(1) hereof.

“**New First Lien Credit Agreement**” means the DIP Agreement, which credit agreement will cease to be a debtor-in-possession credit agreement and will take effect as a new first lien credit agreement on the Plan Implementation Date in accordance with the terms hereof and thereof and, accordingly, any reference herein to the New First Lien Credit Agreement also means the DIP Agreement, as applicable.

“**New First Lien Loan**” means the secured, first lien loans in the aggregate principal amount of the New Loan Amount that are to take effect on the Plan Implementation Date in accordance with the terms hereof and the DIP Agreement.

“**New Loan Amount**” means US\$18 million.

“**New Lenders**” means the DIP Lenders, all of whom will cease to be DIP Lenders on the Plan Implementation Date and will automatically become lenders pursuant to the New First Lien Loan on the Plan Implementation Date in accordance with the terms hereof and the DIP Agreement.

“**New Lender’s Pro Rata Share**” means with respect to each New Lender, (x) the amount of the New Loan Amount committed (including, for greater certainty, any amount funded) by such New Lender as at the Plan Implementation Date, divided by (y) the New Loan Amount.

“**New Second Lien Notes**” means the secured, second lien notes in the aggregate principal amount of \$10 million to be issued on the Plan Implementation Date pursuant to section 5.2(2) hereof, the terms of which shall be consistent with the summary of terms set forth in Schedule “A”.

“**New Second Lien Notes Indenture**” means the note indenture dated as of the Plan Implementation Date among SkyLink Aviation, the guarantors party thereto and the New Second Lien Notes Indenture Trustee pursuant to which the New Second Lien Notes will be issued.

“**New Second Lien Notes Indenture Trustee**” means Computershare Trust Company of Canada or such other trustee as may be agreed to by the Applicant and the Majority Initial Consenting Noteholders, as trustee under the New Second Lien Notes Indenture.

“**New Shareholders’ Agreement**” means the shareholders’ agreement among SkyLink Aviation and each of the holders of the New Common Shares, which shall be declared to be effective and binding on all such Persons pursuant to the Sanction Order.

“**Noteholder Advisors**” means Bennett Jones LLP and PwC.

“**Notice of Claim**” has the meaning ascribed thereto in the Claims Procedure Order.

“**OBCA**” means the *Business Corporations Act* (Ontario), as amended.

“**Officers**” means all current and former officers (or their estates) of the Applicant, in such capacity, and “**Officer**” means any one of them.

“**Options**” means any options, warrants, conversion privileges, puts, calls, subscriptions, exchangeable securities, or other rights, entitlements, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating SkyLink Aviation to issue, acquire or sell shares in the capital of SkyLink Aviation or to purchase any shares, securities, options or warrants, or any securities or obligations of any kind convertible into or exchangeable for shares in the capital of SkyLink Aviation, in each case that are existing or issued and outstanding immediately prior to the Effective Time, including any options to acquire common shares of SkyLink Aviation issued under the Company Stock Option Plans, any warrants exercisable for common shares or other equity securities of SkyLink Aviation, any put rights exercisable against the Applicant in respect of any shares, options, warrants or other securities, and any rights, entitlements or other claims of any kind to receive any other form of consideration in respect of any prior or future exercise of any of the foregoing.

“**Order**” means any order of the Court made in connection with the CCAA Proceeding.

“**Person**” means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity.

“**Plan**” means this Plan of Compromise and Arrangement filed by the Applicant under the CCAA, as it may be amended, supplemented or restated from time to time in accordance with the terms hereof.

“**Plan Implementation Date**” means the Business Day on which this Plan becomes effective, which shall be the Business Day on which, pursuant to section 9.2, the Applicant and Majority Initial Consenting Noteholders deliver written notice to the Monitor that the conditions set out in section 9.1 have been satisfied or waived in accordance with the terms hereof.

“**Post-Filing Trade Payables**” means trade payables that were incurred by the Applicant (a) after the Filing Date but before the Plan Implementation Date; and (b) in compliance with the Initial Order and other Orders issued in connection with the CCAA Proceeding.

“**Prior Ranking Secured Claims**” means Claims existing on both the Filing Date and the Plan Implementation Date, other than Government Priority Claims, Employee Priority Claims, and Claims secured by the Charges, that (a) have the benefit of a valid and enforceable security interest in, mortgage or charge over, lien against or other similar interest in, any of the assets that the Applicant owns or to which the Applicant is entitled, but only to the extent of the realizable value of the property subject to such security; and (b) would have ranked senior in priority to the Secured Noteholders Allowed Secured Claim if the Applicant had become bankrupt on the Filing Date.

“**Proof of Claim**” has the meaning ascribed thereto in the Claims Procedure Order.

“**PwC**” means PricewaterhouseCoopers LLP.

“Qualifying Noteholder” means a Secured Noteholder as of the Filing Date that: (a) in the case of a Secured Noteholder resident in the United States, is a “qualified institutional buyer” within the meaning of Rule 144A under the 1933 Act; (b) in the case of a Secured Noteholder resident in a province or territory of Canada, is an “accredited investor” as such term is defined in the National Instrument 45-106 Prospectus and Registration Exemptions (“**NI 45-106**”); or (c) in the case of a Secured Noteholder resident outside of Canada or the United States, would qualify as an “accredited investor” as such term is defined in NI-45-106 as if such Secured Noteholder was resident in Canada and can demonstrate to SkyLink Aviation that it is qualified to participate as a lender in the DIP Facility in accordance with the laws of its jurisdiction of residence.

“Recapitalization” means the transactions contemplated by this Plan.

“Released Claim” has the meaning ascribed thereto in section 7.1(a).

“Released Director/Officer Claim” means any Director/Officer Claim that is released pursuant to section 7.1.

“Released Directors/Officers” means the Persons listed on Schedule “B”, in their capacity as Directors and/or Officers, and **“Released Director/Officer”** means any one of them.

“Released Party” and **“Released Parties”** have the meaning ascribed thereto in section 7.1(a).

“Released Shareholders” means those holders of the Existing Shares as of the Filing Date who are listed on Schedule “C”, in their capacity as holders of Existing Shares.

“Required Majorities” means with respect to each Voting Class, a majority in number of Affected Creditors representing at least two thirds in value of the Voting Claims of Affected Creditors, in each case who are entitled to vote at the Meetings in accordance with the Meetings Order and who are present and voting in person or by proxy on the resolution approving the Plan at the applicable Meeting.

“Sanction Date” means the date that the Sanction Order is made by the Court.

“Sanction Order” means the Order of the Court sanctioning and approving this Plan.

“Secured Noteholder’s Pro-Rata Share” means, with respect to each Secured Noteholder, (x) the principal amount of Secured Notes held by such Secured Noteholder as at the Filing Date divided by (y) \$110,000,000 (being the aggregate principal amount of all of the Secured Notes).

“Secured Noteholders”, and each a **“Secured Noteholder”**, means the holders of the Secured Notes.

“Secured Noteholders Allowed Claim” has the meaning ascribed thereto in the Claims Procedure Order.

“Secured Noteholders Allowed Secured Claim” has the meaning ascribed thereto in the Claims Procedure Order.

“Secured Noteholders Allowed Unsecured Claim” has the meaning ascribed thereto in the Claims Procedure Order.

“Secured Noteholders Class” means the class of Secured Noteholders collectively holding the Secured Noteholders Allowed Secured Claim entitled to vote on this Plan at the Secured Noteholders Meeting in accordance with the terms of the Meetings Order.

“Secured Noteholders Meeting” means the meeting of the Secured Noteholders Class to be held on the Meeting Date for the purpose of considering and voting on the Plan pursuant to the CCAA and includes any adjournment, postponement or other rescheduling of such meeting in accordance with the Meetings Order.

“Secured Note Indenture” means the note indenture dated March 15, 2011 that was entered into between SkyLink Aviation, certain guarantor parties and the Secured Note Indenture Trustee in connection with the issuance of the Secured Notes, as amended by the First Supplemental Indenture dated as of October 19, 2012.

“Secured Note Indenture Trustee” means Computershare Trust Company of Canada, as trustee under the Secured Note Indenture.

“Secured Note Obligations” means all obligations, liabilities and indebtedness of SkyLink Aviation or any of the other SkyLink Companies (whether as guarantor, surety or otherwise) to the Secured Note Indenture Trustee and/or the Secured Noteholders (including, for greater certainty, in their capacity as holders of the Secured Notes and in their capacity as IPSA Noteholder Participants) under, arising out of or in connection with the Secured Notes, the IPSA, the Secured Note Indenture or the guarantees granted in connection with any of the foregoing as well as any other agreements or documents relating thereto as at the Plan Implementation Date.

“Secured Notes” has the meaning ascribed thereto in the recitals.

“Shareholder Agreement” means the shareholder agreement dated November 13, 2008 by and among SL Aviation Bidco Inc. (as predecessor to SkyLink Aviation) and the holders of the Existing Shares, as amended and as it may be further amended from time to time.

“SkyLink Aviation” has the meaning ascribed thereto in the recitals.

“SkyLink Canadian Subsidiary” means 2273853 Ontario Inc.

“SkyLink Companies” means the Applicant, the SkyLink Guarantors, SkyLink Aeromanagement (Kenya) Ltd., SkyLink Aviation FZE, SkyLink Air & Logistic Support (Sudan) Co. Ltd., SkyLink Air and Logistic Service Italy Srl, CAS FZE, Aerostan Holdings Company, Aerostan Limited Liability Company and Canadian Force Logistics Augmentation Group Inc.

“SkyLink Guarantors” means SkyLink Canadian Subsidiary, SkyLink Air and Logistic Support (USA) Inc., SkyLink USA II and SkyLink Aviation (Wyoming) Inc.

“SkyLink Subsidiaries” means the SkyLink Companies other than the Applicant.

“**SkyLink USA II**” means SkyLink Air and Logistic Support (USA) II Inc.

“**Structuring Equity**” means the 5% of the New Common Shares issued and outstanding on the Plan Implementation Date to be issued to the Initial Consenting Noteholders by the Applicant pursuant to this Plan in recognition of the significant time and effort spent by the Initial Consenting Noteholders in working with the Applicant to develop, structure and facilitate the Recapitalization.

“**Support Agreement**” has the meaning ascribed thereto in the recitals.

“**Support Agreement Joinder**” means a joinder agreement in the form set out as a schedule to the Support Agreement pursuant to which a Secured Noteholder agrees to become a Consenting Noteholder and to be bound by the terms of the Support Agreement.

“**Tax**” or “**Taxes**” means any and all federal, provincial, municipal, local and foreign taxes, assessments, reassessments and other governmental charges, duties, impositions and liabilities including for greater certainty taxes based upon or measured by reference to income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Quebec and other government pension plan premiums or contributions, together with all interest, penalties, fines and additions with respect to such amounts.

“**Taxing Authorities**” means anyone of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof, the United States Internal Revenue Service, any similar revenue or taxing authority of the United States and each and every state of the United States, and any Canadian, United States or other government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, and “**Taxing Authority**” means any one of the Taxing Authorities.

“**Unaffected Claim**” means any:

- (a) Claim of the First Lien Agent and/or the First Lien Lenders in respect of the First Lien Credit Agreement or the First Lien Facility;
- (b) Claim secured by any of the Charges;
- (c) Insured Claim;
- (d) Claim by the DIP Lenders arising under the DIP Agreement;
- (e) Intercompany Claim;
- (f) Post-Filing Trade Payables;

- (g) Claim by an Unaffected Trade Creditor arising from an Unaffected Trade Claim;
- (h) Prior Ranking Secured Claims;
- (i) Claim that is not permitted to be compromised pursuant to section 19(2) of the CCAA;
- (j) Employee Priority Claims; and
- (k) Government Priority Claims.

“Unaffected Creditor” means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim.

“Unaffected Trade Claim” means a Claim of an Unaffected Trade Creditor that is not a Post-Filing Trade Payable and that arises out of or in connection with any contract, license, lease, agreement, obligation, arrangement or document with the Applicant related to the business of the Applicant.

“Unaffected Trade Creditor” means any Person that has been designated by SkyLink Aviation, with the consent of the Monitor and the Majority Initial Consenting Noteholders, as a critical supplier in accordance with the Initial Order.

“Undeliverable Distribution” has the meaning ascribed thereto in section 4.8 hereof.

“Unsecured Creditor’s Pro-Rata Share” means, at the relevant time, with respect to each Affected Unsecured Creditor, (x) the Allowed Affected Unsecured Claim of such Affected Unsecured Creditor divided by (y) the total of all Allowed Affected Unsecured Claims and Disputed Distribution Claims of Affected Unsecured Creditors.

“Unsecured Creditors Meeting” means a meeting of Affected Unsecured Creditors to be held on the Meeting Date called for the purpose of considering and voting on the Plan pursuant to the CCAA, and includes any adjournment, postponement or other rescheduling of such meeting in accordance with the Meetings Order.

“Unsecured Promissory Note” means the unsecured, subordinated promissory note in the principal amount of \$300,000 due and payable on the Unsecured Promissory Note Maturity Date, subject to the provisions thereof, to be issued by SkyLink Aviation on the Plan Implementation Date in favour of the Affected Unsecured Creditors with Allowed Affected Unsecured Claims and held by the Applicant, for the benefit of the beneficiaries of such promissory note, pending distribution of the Unsecured Promissory Note Proceeds, which promissory note shall accrue 2% payment-in-kind interest annually (which payment-in-kind interest shall be held by the Applicant in a segregated account for the benefit of beneficiaries of the Unsecured Promissory Note), shall be subordinated to all indebtedness and trade obligations of SkyLink Aviation and may be repaid by the Applicant at any time without penalty.

“Unsecured Promissory Note Entitlement” means, with respect to each Affected Unsecured Creditor with an Allowed Unsecured Claim, its entitlement to its Unsecured Creditor’s Pro-Rata Share of the Unsecured Promissory Note Proceeds.

“**Unsecured Promissory Note Maturity Date**” means the earlier of the date that is 5 years following the Plan Implementation Date and the date on which the Applicant repays the Unsecured Promissory Note in accordance with its terms.

“**Unsecured Promissory Note Proceeds**” means the amount payable to the beneficiaries of the Unsecured Promissory Note on the Unsecured Promissory Note Maturity Date (including the principal amount of the Unsecured Promissory Note and the interest thereon), subject to the terms and conditions of the Unsecured Promissory Note.

“**Voting Claims**” means any Claim or portion thereof that has been finally allowed as a Voting Claim (as defined in the Claims Procedure Order) for purposes of voting at a Meeting in accordance with the Claims Procedure Order or a Final Order of the Court.

“**Voting Classes**” means the Secured Noteholders Class and the Affected Unsecured Creditors Class.

“**Website**” means:

<http://www.duffandphelps.com/services/restructuring/Pages/RestructuringCases.aspx>.

1.2 Certain Rules of Interpretation

For the purposes of the Plan:

- (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (c) unless otherwise specified, all references to currency are in Canadian dollars;
- (d) the division of the Plan into “articles” and “sections” and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of “articles” and “sections” intended as complete or accurate descriptions of the content thereof;
- (e) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (f) the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes but is not limited to” and “including

but not limited to”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;

- (g) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. (Toronto time) on such Business Day;
- (h) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation; and
- (j) references to a specified “article” or “section” shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of the Plan, whereas the terms “the Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions shall be deemed to refer generally to the Plan and not to any particular “article”, “section” or other portion of the Plan and include any documents supplemental hereto.

1.3 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person or party named or referred to in the Plan.

1.4 Governing Law

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

1.5 Schedules

The following are the Schedules to the Plan, which are incorporated by reference into the Plan and form a part of it:

| | |
|--------------|--------------------------------|
| Schedule “A” | Terms of New Second Lien Notes |
| Schedule “B” | Released Directors/Officers |
| Schedule “C” | Released Shareholders |

**ARTICLE 2
PURPOSE AND EFFECT OF THE PLAN**

2.1 Purpose

The purpose of the Plan is:

- (a) to implement a recapitalization of SkyLink Aviation, which will significantly reduce its indebtedness;
- (b) to provide for a settlement of, and consideration for, all Allowed Affected Claims;
- (c) to effect a release and discharge of all Affected Claims and Released Claims;
- (d) to provide SkyLink Aviation with essential committed financing to address its current and future liquidity needs; and
- (e) to ensure the continued viability and ongoing operations of SkyLink Aviation,

in the expectation that the Persons who have an economic interest in the Applicant, when considered as a whole, will derive a greater benefit from the implementation of the Plan than would result from a bankruptcy of the Applicant.

2.2 Persons Affected

The Plan provides for a full and final release and discharge of the Affected Claims and Released Claims, a settlement of, and consideration for, all Allowed Affected Claims and a recapitalization of the Applicant. The Plan will become effective at the Effective Time in accordance with its terms and in the sequence set forth in section 5.4 and shall be binding on and enure to the benefit of the Applicant, the Affected Creditors, the Released Parties and all other Persons named or referred to in, or subject to, the Plan.

2.3 Persons Not Affected

The Plan does not affect the Unaffected Creditors, subject to the express provisions hereof providing for the treatment of Insured Claims. Nothing in the Plan shall affect the Applicant's rights and defences, both legal and equitable, with respect to any Unaffected Claims including all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

2.4 Equity Claimants

On the Plan Implementation Date, the Plan will be binding on SkyLink Aviation and all Equity Claimants. Equity Claimants shall not receive a distribution under the Plan or otherwise recover anything in respect of their Equity Claims or Equity Interests. On the Plan Implementation Date, in accordance with the steps and sequences set out in section 5.4, all Equity Interests shall be

cancelled and extinguished and all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

ARTICLE 3
CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meetings Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

In accordance with the Meetings Order, the only classes of creditors for the purposes of considering and voting on the Plan will be the Secured Noteholders Class and the Affected Unsecured Creditors Class. For greater certainty, Equity Claimants shall not be entitled to vote on the Plan or to receive any distributions hereunder.

3.3 Creditors' Meetings

The Meetings shall be held in accordance with the Meetings Order and any further Order of the Court. The only Persons entitled to attend the Meetings are those specified in the Meetings Order.

3.4 Treatment of Affected Claims

An Affected Claim shall receive distributions as set forth below only to the extent that such Claim is an Allowed Affected Claim and has not been paid, released, or otherwise satisfied prior to the Plan Implementation Date.

(1) Secured Noteholders Class

In accordance with the steps and sequence set forth in section 5.4, each Secured Noteholder will, in full and final satisfaction of the Secured Noteholders Allowed Secured Claim, receive its Secured Noteholder's Pro-Rata Share of:

- (a) 25% of the New Common Shares issued and outstanding on the Plan Implementation Date; and
- (b) the New Second Lien Notes.

The Claims comprising the Secured Noteholders Allowed Claim and the Secured Note Obligations shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date.

(2) Affected Unsecured Creditors Class

In accordance with the steps and sequence set forth in section 5.4, and in full and final satisfaction of all Affected Unsecured Claims, each Affected Unsecured Creditor with an Allowed Affected Unsecured Claim will receive its Unsecured Promissory Note Entitlement. All Affected Unsecured Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date.

(3) Equity Claimants

In accordance with the steps and sequences set forth in section 5.4, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged cancelled and barred on the Plan Implementation Date. Equity Claimants will not receive any consideration or distributions under the Plan and shall not be entitled to vote on the Plan at the Meetings in respect of their Equity Claims.

3.5 Unaffected Claims

- (a) Unaffected Creditors will not receive any consideration or distributions under the Plan in respect of their Unaffected Claims (except to the extent their Unaffected Claims are paid in full on the Plan Implementation Date in accordance with the express terms of section 5.4), and they shall not be entitled to vote on the Plan at the Meetings in respect of their Unaffected Claims.
- (b) Notwithstanding anything to the contrary herein, Insured Claims shall not be compromised, released, discharged, cancelled and barred by this Plan, provided that from and after the Plan Implementation Date, any Person having an Insured Claim shall be irrevocably limited to recovery in respect of such Insured Claim solely from the proceeds of the applicable Insurance Policies, and Persons with any Insured Claims shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from any Person, including SkyLink Aviation, any SkyLink Subsidiary or any Released Party, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. This section 3.5(b) may be relied upon and raised or pled by SkyLink Aviation, any SkyLink Subsidiary or any Released Party in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this section. Nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any insurer in respect of an Insurance Policy or any insured in respect of an Insured Claim.

3.6 Disputed Distribution Claims

Any Affected Unsecured Creditor with a Disputed Distribution Claim shall not be entitled to receive any distribution hereunder with respect to such Disputed Distribution Claim unless and until such Claim becomes an Allowed Affected Unsecured Claim. A Disputed Distribution Claim shall be resolved in the manner set out in the Claims Procedure Order. Distributions pursuant to section 3.4 shall be paid in respect of any Disputed Distribution Claim that is finally

determined to be an Allowed Affected Unsecured Claim in accordance with the Claims Procedure Order.

3.7 Director/Officer Claims

- (a) All Released Director/Officer Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date. Any Director/Officer Claim that is not a Released Director/Officer Claim will not be compromised, released, discharged, cancelled and barred. For greater certainty, any Claim of a Director or Officer for indemnification from the Applicant in respect of any Director/Officer Claim that is not otherwise covered by the Directors' Charge shall be treated for all purposes under this Plan as an Affected Unsecured Claim.
- (b) Notwithstanding anything to the contrary herein, the Director/Officer Wages Claims shall not be compromised, released, discharged, cancelled or barred by this Plan, provided that from and after the Plan Implementation Date, any Person having Director/Officer Wages Claim shall be irrevocably limited to recovery in respect of such Director/Officer Wages Claim solely from the proceeds of the applicable Insurance Policies, and Persons with any Director/Officer Wages Claims shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from any Person, including SkyLink Aviation, any SkyLink Subsidiary, any Released Director/Officer or any other Released Party, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. This section 3.7(b) may be relied upon and raised or pled by SkyLink Aviation, any SkyLink Subsidiary, any Released Director/Officer or any other Released Party in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this section. Nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any insurer in respect of an Insurance Policy or any insured in respect of Director/Officer Claims or Director/Officer Wages Claims.

3.8 Extinguishment of Claims

On the Plan Implementation Date in accordance with its terms and in the sequence set forth in section 5.4 and in accordance with the provisions of the Sanction Order, the treatment of Affected Claims (including Allowed Claims and Disputed Distribution Claims) and all Released Claims, in each case as set forth herein, shall be final and binding on the Applicant, all Affected Creditors (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and any Person holding a Released Claim, and all Affected Claims and all Released Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Released Parties shall thereupon have no further obligation whatsoever in respect of the Affected Claims and the Released Claims, as applicable; *provided that* nothing herein releases the Applicant or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Plan and *provided further* that such discharge and release of the Applicant shall be without prejudice to the right of a Creditor in respect of a Disputed Distribution Claim to prove such Disputed Distribution Claim in

accordance with the Claims Procedure Order so that such Disputed Distribution Claim may become an Allowed Unsecured Claim entitled to receive consideration under section 3.4 hereof.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim which is compromised and released under this Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim which is compromised under this Plan shall be entitled to any greater rights as against the Applicant than the Person whose Claim is compromised under the Plan.

3.10 Set-Off

The law of set-off applies to all Claims.

ARTICLE 4 PROVISIONS REGARDING DISTRIBUTIONS AND PAYMENTS

4.1 Distributions to Secured Noteholders

- (a) This section 4.1 sets forth the distribution mechanics with respect to the New Common Shares and the New Second Lien Notes that are to be distributed to the Secured Noteholders in accordance with section 3.4(1).
- (b) Upon receipt of and in accordance with written instructions from the Monitor, the Secured Note Indenture Trustee shall instruct CDS to and CDS shall: (i) establish an escrow position representing the respective positions of the Secured Noteholders as of the Plan Implementation Date for the purpose of making distributions to the Secured Noteholders on and after the Plan Implementation Date; and (ii) block any further trading in the Secured Notes, effective as of the close of business on the Business Day immediately prior to the Plan Implementation Date, all in accordance with the customary procedures of CDS.
- (c) (i) The delivery of New Second Lien Notes to the Secured Noteholders will be made through the facilities of CDS to CDS Participants, who, in turn, shall make delivery of interests in such New Second Lien Notes to the beneficial holders of such Secured Notes pursuant to standing instructions and customary practices; provided that, if the New Second Lien Notes are not CDS eligible, delivery of any such New Second Lien Notes will be made to the Secured Note Indenture Trustee who, in turn, will make delivery of the applicable New Second Lien Notes to each of the Secured Noteholders through the direct registration system of Computershare (or such other transfer agent as SkyLink Aviation may appoint); and (ii) the delivery of New Common Shares to the Secured Noteholders will be made as follows:
 - (A) immediately following the close of business on the Business Day prior to the Plan Implementation Date, CDS shall provide the Monitor with a list showing the names and addresses of all Persons who are CDS participant holders of the Secured Notes (“CDS

Participants”) and the principal amount of Secured Notes held by each CDS Participant as at the close of business on the Business Day prior to the Plan Implementation Date;

- (B) the Monitor shall forthwith provide all such information to the Applicant; and
- (C) on the Plan Implementation Date, the Applicant shall, in accordance with the information provided by the Monitor pursuant to section 4.1(c)(ii)(B), register or deliver, as applicable, to the CDS Participants, the applicable amount of New Common Shares,

provided that, subject to the consent of the Monitor and the Majority Initial Consenting Noteholders, the Applicant shall be entitled to make such modifications to the administrative process for distributing New Common Shares and New Second Lien Notes as it deems necessary in order to achieve the proper distribution and allocation of New Common Shares and New Second Lien Notes as set forth herein.

- (d) The Applicant and the Monitor shall have satisfied their responsibilities in respect of the distribution of New Common Shares and New Second Lien Notes to the Secured Noteholders in accordance with section 3.4(1) once such New Common Shares and New Second Lien Notes have been delivered to CDS, the CDS Participants or the Secured Note Indenture Trustee, as applicable. The SkyLink Companies and the Monitor will have no liability or obligation in respect of deliveries from CDS, or its nominee, to CDS Participants or from CDS Participants to beneficial holders of the Secured Notes or from the Secured Note Indenture Trustee to beneficial holders of the Secured Notes.

4.2 Distribution Mechanics with Respect to the Unsecured Promissory Note

- (a) The Unsecured Promissory Note shall be issued by SkyLink Aviation and shall be held by the Applicant on behalf of all Affected Unsecured Creditors with an Allowed Affected Unsecured Claim and, subject to the terms and conditions thereof, each such Affected Unsecured Creditor shall become entitled to its Unsecured Promissory Note Entitlement on the Plan Implementation Date without any further steps or actions by the Applicant, such Affected Unsecured Creditor or any other Person.
- (b) From and after the Plan Implementation Date, and until all Unsecured Promissory Note Proceeds have been distributed in accordance with this Plan, the Applicant shall maintain a register of the Unsecured Promissory Note Entitlement of each applicable Affected Unsecured Creditor as well as the address and notice information set forth on such Affected Unsecured Creditor’s Notice of Claim or Proof of Claim or, with respect to any Affected Unsecured Creditor that is a Secured Noteholder, the delivery details of the Secured Note Indenture Trustee. Any applicable Affected Unsecured Creditor whose address or notice information

changes shall be solely responsible for notifying the Applicant of such change. The Applicant shall also record on the register the aggregate amount of any Disputed Distribution Claims.

- (c) On the Unsecured Promissory Note Maturity Date, the Applicant shall calculate the amount to be paid to each Affected Unsecured Creditor with an Allowed Unsecured Claim or the Secured Note Indenture Trustee. The Applicant shall also calculate the amount of the Unsecured Promissory Note Proceeds that are not to be distributed as a result of Disputed Distribution Claims that remain outstanding, if any. The Applicant shall then distribute to each Affected Unsecured Creditor with an Allowed Affected Unsecured Claim the applicable amount:
 - (i) in the case of distributions to Secured Noteholders, in the manner described in section 4.1; and
 - (ii) in the case of distributions to all other Affected Unsecured Creditors, by way of cheque sent by prepaid ordinary mail.

With respect to any portion of the Unsecured Promissory Note Proceeds that are reserved in respect of Disputed Distribution Claims, the Applicant shall forthwith segregate such amounts to establish the Disputed Distribution Claims Reserve.

4.3 Other Distributions

- (a) The distributions to be made to: the DIP Backstop Parties pursuant to section 5.3(1), the New Lenders pursuant to section 5.3(2) and the Initial Consenting Noteholders pursuant to section 5.3(3) shall be made in accordance with this section 4.3.
- (b) At least ten (10) Business Days prior to the Plan Implementation Date, the Applicant shall provide the Monitor with copies of the DIP Backstop Commitment Letter, the DIP Participation Documents (as defined in the Initial Order), if any, and the Support Agreement. Based on the foregoing, the Monitor shall forthwith (A) contact each DIP Backstop Party, New Lender and Initial Consenting Noteholder to ascertain its registration and delivery details for purposes of registering or delivering distributions to such Person, and (b) calculate the following:
 - (i) with respect to each DIP Backstop Party, such DIP Backstop Party's Pro-Rata Share;
 - (ii) with respect to each of the New Lenders, such New Lender's Pro-Rata Share; and
 - (iii) with respect to each of the Initial Consenting Noteholders, such Initial Consenting Noteholder's Pro-Rata Share,

and the Monitor shall provide all such information to the Applicant at least two (2) Business Days prior to the Plan Implementation Date.

- (c) On the Plan Implementation Date, the Applicant shall, upon receipt of and in accordance with a written direction of the Monitor prepared based on the information received by the Monitor pursuant to section 4.3(b), register or deliver, as applicable, to the DIP Backstop Parties, the New Lenders and the Initial Consenting Noteholders, the applicable amount of New Common Shares as so directed by the Monitor.

4.4 Cancellation of Certificates and Notes

Following completion of the steps in the sequence set forth in section 5.4, all debentures, notes (including the Secured Notes and the Secured Note Obligations), certificates, agreements, invoices and other instruments evidencing Affected Claims or Equity Interests will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and will be cancelled and will be null and void. Notwithstanding the foregoing, the Secured Note Indenture shall remain in effect for the purpose of and to the extent necessary to: (i) allow the Secured Note Indenture Trustee to make distributions to the Secured Noteholders on the Initial Distribution Date and each subsequent Distribution Date thereafter; and (ii) maintain all of the protections the Secured Note Indenture Trustee enjoys as against the Secured Noteholders, including its lien rights with respect to any distributions under this Plan, until all distributions are made to Secured Noteholders hereunder. For greater certainty, any and all obligations, including the Secured Note Obligations, of the Applicant and the SkyLink Companies (as guarantor, surety or otherwise) under and with respect to the Secured Notes and the Secured Note Indenture shall not continue beyond the Plan Implementation Date.

4.5 Currency

Unless specifically provided for in the Plan or the Sanction Order, for the purposes of distributions under the Plan, a Claim shall be denominated in Canadian dollars and all payments and distributions to the Affected Creditors on account of their Claims shall be made in Canadian dollars. Any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon exchange rate in effect at the Filing Date.

4.6 Interest

Interest shall not accrue or be paid on Affected Claims on or after the Filing Date, and no holder of an Affected Claim shall be entitled to interest accruing on or after the Filing Date.

4.7 Allocation of Distributions

All distributions made pursuant to the Plan shall be allocated first towards the repayment of the principal amount in respect of such Affected Creditor's Affected Claim and second, if any, towards the repayment of all accrued but unpaid interest in respect of such Affected Creditor's Affected Claim.

4.8 Treatment of Undeliverable Distributions

If any Affected Creditor's distribution under this Article 4 is returned as undeliverable (an "**Undeliverable Distribution**"), no further distributions to such Affected Creditor shall be made unless and until the Applicant is notified by such Affected Creditor of such Affected Creditor's current address, at which time all such distributions shall be made to such Affected Creditor. All claims for Undeliverable Distributions in respect of Allowed Claims must be made on or before the date that is six months following the final Distribution Date, after which date any entitlement with respect to such Undeliverable Distribution shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any federal, state or provincial laws to the contrary, at which time any such Undeliverable Distributions in relation to the Allowed Claim shall be returned to SkyLink Aviation. Nothing contained in the Plan shall require the Applicant to attempt to locate any holder of an Allowed Claim. No interest is payable in respect of an Undeliverable Distribution. Any distribution under this Plan on account of the Secured Notes shall be deemed made when delivered to CDS, the CDS Participants or the Secured Note Indenture Trustee, as applicable, for subsequent distribution to Secured Noteholders in accordance with this Article 4.

4.9 Withholding Rights

SkyLink Aviation, CDS, the Secured Note Indenture Trustee and/or the Monitor shall be entitled to deduct and withhold from any consideration payable to any Person such amounts as SkyLink Aviation, CDS, the Secured Note Indenture Trustee and/or the Monitor is required to deduct and withhold with respect to such payment under the Canadian Tax Act, or other Applicable Laws, or entitled to withhold under section 116 of the Canadian Tax Act or corresponding provision of provincial or territorial law. To the extent that amounts are so withheld or deducted, such withheld or deducted amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate Taxing Authority. SkyLink Aviation, CDS, the Secured Note Indenture Trustee and/or the Monitor are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to SkyLink Aviation, CDS, the Secured Note Indenture Trustee and/or the Monitor, as the case may be, to enable it to comply with such deduction or withholding requirement or entitlement, and SkyLink Aviation, CDS, the Secured Note Indenture Trustee and/or the Monitor, shall notify the Person thereof and remit to such Person any unapplied balance of the net proceeds of such sale.

4.10 Fractional Interests

No fractional interests of New Common Shares or New Second Lien Notes ("**Fractional Interests**") will be issued under this Plan. Recipients of New Common Shares and New Second Lien Notes will have their entitlements adjusted downwards to the nearest whole number of New Common Shares or New Second Lien Notes, as applicable, to eliminate any such Fractional Interests and no compensation will be given for the Fractional Interest.

4.11 Calculations

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or SkyLink Aviation and

agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Applicant.

ARTICLE 5 RECAPITALIZATION

5.1 Corporate Actions

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving corporate action of the Applicant will occur and be effective as of the Plan Implementation Date, and will be authorized and approved under the Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, directors or officers of the Applicant. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of the Applicant, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by the Plan shall be deemed to be effective and shall have no force and effect.

5.2 Issuance of New Common Shares, New Second Lien Notes and the Unsecured Promissory Note

(1) New Common Shares

On the Plan Implementation Date, SkyLink Aviation shall issue the Agreed Number of New Common Shares, and such New Common Shares shall be allocated and distributed in the manner set forth in this Plan.

(2) Issuance of New Second Lien Notes

On the Plan Implementation Date, SkyLink Aviation shall issue the New Second Lien Notes pursuant to the New Second Lien Indenture, and such New Second Lien Notes shall be allocated and distributed in the manner set forth in this Plan.

(3) Unsecured Promissory Note

On the Plan Implementation Date, SkyLink Aviation shall issue the Unsecured Promissory Note and the Unsecured Promissory Note Entitlement shall be allocated in the manner set forth in this Plan.

5.3 DIP Backstop and New First Credit Facility

(1) DIP Backstop

On the Plan Implementation Date, in accordance with the steps and sequence set out in Section 5.4, each DIP Backstop Party shall receive its DIP Backstop Party's Pro Rata Share of 10% of the New Common Shares issued and outstanding on the Plan Implementation Date.

(2) New First Lien Credit Facility

On the Plan Implementation Date, in accordance with the steps and sequence set out in Section 5.4, the DIP Facility shall be converted into the New First Lien Loan in accordance with the DIP Agreement and each New Lender shall receive its New Lender's Pro-Rata Share of 60% of the New Common Shares issued and outstanding on the Plan Implementation Date.

(3) Structuring Equity

On the Plan Implementation Date, in accordance with the steps and sequence set out in Section 5.4, each Initial Consenting Noteholder shall receive its Initial Consenting Noteholder's Pro-Rata Share of 5% of the New Common Shares issued and outstanding on the Plan Implementation Date in respect of the Structuring Equity.

5.4 Plan Implementation Date Transactions

The following steps and compromises and releases to be effected in the implementation of the Plan shall occur, and be deemed to have occurred in the following order in five minute increments (unless otherwise noted), without any further act or formality on the Plan Implementation Date beginning at the Effective Time:

- (a) all Options shall be cancelled and terminated without any liability, payment or other compensation in respect thereof;
- (b) the Company Stock Option Plans shall be terminated;
- (c) the Applicant shall borrow such amounts from the DIP Facility as are necessary to repay in full all amounts owing in respect of the First Lien Credit Facility, and the Applicant shall thereupon pay all such amounts to the First Lien Agent in full and final satisfaction of the First Lien Credit Facility;
- (d) the First Lien Credit Agreement and the First Lien Credit Facility shall be deemed to be terminated and the Applicant and the SkyLink Companies shall be fully, finally, irrevocably and forever released from any and all claims, liabilities or obligations of any kind to the First Lien Agent or the First Lien Lenders in respect of the First Lien Credit Agreement and the First Lien Credit Facility;
- (e) SkyLink Aviation shall issue to each Secured Noteholder its Secured Noteholder's Pro-Rata Share of the New Common Shares and New Second Lien Secured Notes to be issued to it in accordance with section 3.4(1) in full consideration for the irrevocable, final and full compromise and satisfaction of the Secured Noteholders Allowed Secured Claim;
- (f) simultaneously with step 5.4(e), the DIP Facility shall be deemed to be converted into the New First Lien Loans in accordance with the DIP Agreement and SkyLink Aviation shall issue to each New Lender its New Lender's Pro Rata Share of the New Common Shares to be issued to it in accordance with section 5.3(2);

- (g) simultaneously with step 5.4(e), SkyLink Aviation shall issue to each DIP Backstop Party its DIP Backstop Party's Pro-Rata Share of New Common Shares to be issued to it in accordance with section 5.3(1);
- (h) simultaneously with step 5.4(e), each Affected Unsecured Creditor with an Allowed Affected Unsecured Claim shall become entitled to its Unsecured Promissory Note Entitlement in accordance with section 3.4(2) (as such Unsecured Promissory Note Entitlement may be adjusted based on the final determination of Disputed Distribution Claims in the manner set forth herein) in full consideration for the irrevocable, final and full compromise and satisfaction of such Affected Unsecured Creditor's Affected Unsecured Claim;
- (i) simultaneously with step 5.4(e), SkyLink Aviation shall issue to each of the Initial Consenting Noteholders its Initial Consenting Noteholder's Pro-Rata Share of the New Common Shares to be issued to it on account of the Structuring Equity in accordance with section 5.3(3);
- (j) the Articles shall be amended, pursuant to the Articles of Reorganization, to, among other things, (i) consolidate the issued and outstanding Class A Shares (including, for the avoidance of doubt, Class A Shares that are Existing Shares and New Common Shares issued pursuant to the preceding paragraphs of this Section 5.4) on the basis of the Consolidation Ratio; (ii) eliminate the Class B Shares; and (iii) provide for such additional changes to the rights and conditions attached to the Class A Shares as may be agreed to by the Applicant, the Monitor and the Majority Initial Consenting Noteholders;
- (k) pursuant to the Articles of Reorganization, any fractional Class A Shares held by any holder of Class A Shares immediately following the consolidation of the Class A Shares referred to in section 5.4(j) shall be cancelled without any liability, payment or other compensation in respect thereof;
- (l) all Equity Interests (for greater certainty, not including any Class A Shares that remain issued and outstanding immediately following the cancellation of fractional interests in section 5.4(k)) and the Shareholder Agreement shall be cancelled without any liability, payment or other compensation in respect thereof;
- (m) a number of New Common Shares representing up to 10% of the number of New Common Shares issued and outstanding immediately following step 5.4(k) shall be reserved for issuance by the Applicant after the Plan Implementation Date to directors, officers and employees of the Applicant pursuant to equity-based compensation arrangements to be determined at the discretion of the new board of directors of SkyLink Aviation appointed pursuant to the Sanction Order (the "**Incentive Plan**"), provided that, for greater certainty, the New Common Shares reserved in respect of such Incentive Plan will, if granted, dilute the New Common Shares to be issued to the Secured Noteholders, the New Lenders, the DIP Backstop Parties and the Initial Consenting Noteholders on the Plan Implementation Date in accordance with this Plan;

- (n) SkyLink Aviation shall pay in cash all fees and expenses incurred by the Secured Note Indenture Trustee, including its reasonable legal fees, in connection with the performance of its duties under the Secured Note Indenture or this Plan;
- (o) all of the Secured Notes and the Secured Note Indenture and all Secured Note Obligations shall be deemed to be fully, finally, irrevocably and forever compromised, released, discharged cancelled and barred;
- (p) SkyLink Aviation shall make all distributions to KERP participants in accordance with the terms of the KERP;
- (q) SkyLink Aviation shall pay to each of the Noteholder Advisors such Noteholder Advisor's pro rata share of the Expense Reimbursement;
- (r) each of the Charges shall be terminated, discharged and released;
- (s) the releases set forth in Article 7 shall become effective; and
- (t) the stated capital account in respect of the issued and outstanding shares in the capital of SkyLink Canadian Subsidiary shall be reduced to \$1.00 with no payment thereon.

The steps described in sub-sections (j), (k) and (t) of this section 5.4 will be implemented pursuant to section 6(2) of the CCAA as if such steps were implemented pursuant to a plan of reorganization under section 186 of the OBCA.

5.5 Issuances Free and Clear

Any issuance of any securities or other consideration pursuant to the Plan will be free and clear of any Encumbrances.

5.6 Stated Capital

The aggregate stated capital for purposes of the OBCA for the New Common Shares issued pursuant to this Plan will be as determined by the new board of directors of SkyLink Aviation appointed pursuant to the Sanction Order.

5.7 Post-Plan Implementation Date Amalgamation

On the Business Day following the Plan Implementation Date or a later date to be agreed between the Applicant and the Majority Initial Consenting Noteholders, the Articles of Amalgamation will be filed such that SkyLink Aviation will be amalgamated with SkyLink Canadian Subsidiary pursuant to the OBCA.

ARTICLE 6
PROCEDURE FOR DISTRIBUTIONS REGARDING DISPUTED DISTRIBUTION CLAIMS

6.1 No Distribution Pending Allowance

An Affected Unsecured Creditor holding a Disputed Distribution Claim will not be entitled to receive a distribution under the Plan in respect of such Disputed Distribution Claim or any portion thereof unless and until, and then only to the extent that, such Disputed Distribution Claim becomes an Allowed Unsecured Claim.

6.2 Distributions After Disputed Distribution Claims Resolved

- (a) Distributions from Unsecured Promissory Note Proceeds in relation to a Disputed Distribution Claim of an Affected Unsecured Creditor in existence at the Unsecured Promissory Note Maturity Date will be held by the Applicant, in a segregated account constituting the Disputed Distribution Claims Reserve, for the benefit of the Affected Unsecured Creditors with Allowed Affected Unsecured Creditor Claims until the final determination of the Disputed Distribution Claim in accordance with the Claims Procedure Order and this Plan.
- (b) To the extent that any Disputed Distribution Claim becomes an Allowed Affected Unsecured Claim in accordance with this Plan, the Applicant shall distribute (on the next Distribution Date) to the holder of such Allowed Affected Unsecured Claim, an amount from the Disputed Distribution Claims Reserve equal to the Unsecured Promissory Note Entitlement that such Affected Unsecured Creditor would have been entitled to receive in respect of its Allowed Affected Unsecured Claim on the Unsecured Promissory Note Distribution Date had such Disputed Distribution Claim been an Allowed Affected Unsecured Claim on such date.
- (c) On the date that all Disputed Distribution Claims have been finally resolved in accordance with the Claims Procedure Order and any required distributions contemplated in paragraph 6.2(b) have been made, if (i) the aggregate value of Unsecured Promissory Note Proceeds remaining in the Disputed Distribution Claims Reserve is less than \$10,000, the Applicant shall release to SkyLink Aviation any proceeds held in the Disputed Distribution Claims Reserve and such proceeds shall be returned to SkyLink Aviation; or (ii) the aggregate value of Unsecured Promissory Note Proceeds remaining in the Disputed Distribution Claims Reserve is greater than or equal to \$10,000, the Applicant shall distribute such proceeds to the Affected Unsecured Creditors with Allowed Affected Unsecured Claims such that after giving effect to such distributions each such Affected Unsecured Creditor has received its applicable Unsecured Creditor's Pro-Rata Share of such proceeds.

ARTICLE 7 RELEASES

7.1 Plan Releases

- (a) On the Plan Implementation Date, in accordance with the sequence set forth in section 5.4,(i) the Applicant, the Applicant's employees, auditors, financial advisors, legal counsel and agents, the Released Shareholders, the Released Directors/Officers, the SkyLink Subsidiaries and the directors and officers of any SkyLink Subsidiary, and each and every auditor, financial advisor and legal counsel of the foregoing Persons (in each case, in that capacity only) and (ii) the Monitor, the Monitor's counsel the Secured Note Indenture Trustee, the Consenting Noteholders, the DIP Lenders, the Company Advisors, the Noteholder Advisors and each and every present and former shareholder, affiliate, subsidiary, director, officer, member (including members of any committee or governance council), partner, employee, auditor, financial advisor, legal counsel and agent of any of the foregoing Persons (in each case, in that capacity only) (each of the Persons named in (i) or (ii) of this section 7.1(a), in their capacity as such, being herein referred to individually as a "**Released Party**" and all referred to collectively as "**Released Parties**") shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature, including claims for contribution or indemnity which any Creditor or other Person may be entitled to assert (including any and all of the foregoing in respect of the payment and receipt of proceeds and statutory or common law liabilities of Directors or Officers, current or former directors or officers of the SkyLink Subsidiaries, members or employees of the Applicant and any alleged fiduciary or other duty (in any capacity whatsoever)), whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan, that are in any way relating to, arising out of or in connection with the Secured Notes and related guarantees, the Secured Note Indenture, the Secured Note Obligations, the IPSA, the Support Agreement, any Support Agreement Joinder, the DIP Backstop Commitment Letter, the DIP Agreement, the DIP Facility, the First Lien Facility, the Equity Interests, the Company Stock Option Plans, the New First Lien Loans, the New Common Shares, the New Second Lien Notes, the Unsecured Promissory Note, any Claims, any Director/Officer Claims, the business and affairs of the Applicant whenever or however conducted, the administration and/or management of the Applicant, the Recapitalization, the Plan, the CCAA Proceeding or any matter or transaction involving any of the SkyLink Companies taking place in connection with the Recapitalization or the Plan (referred to collectively as the "**Released**

Claims”), and all Released Claims shall be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, all to the fullest extent permitted by Applicable Law; provided that nothing herein will release or discharge (w) the right to enforce the Applicant’s obligations under the Plan, (x) any Released Party if the Released Party is determined by a Final Order of a court of competent jurisdiction to have committed fraud or wilful misconduct, (y) the Applicant from or in respect of any Unaffected Claim or any Claim that is not permitted to be released pursuant to section 19(2) of the CCAA, or (z) any Director or Officer from any Director/Officer Claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

- (b) Notwithstanding anything to the contrary in section 7.1(a), Insured Claims and Director/Officer Wages Claims shall not be compromised, released, discharged, cancelled and barred by this Plan, provided that from and after the Plan Implementation Date, any Person having an Insured Claim or a Director/Officer Wages Claim shall be irrevocably limited to recovery in respect of such Insured Claim or Director/Officer Wages Claim solely from the proceeds of the applicable Insurance Policies, and Persons with any Insured Claim or Director/Officer Wages Claims shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from SkyLink Aviation, any SkyLink Subsidiary, any Released Director/Officer or any other Released Party, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies.

7.2 [Intentionally Deleted]

7.3 Injunctions

All Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to any and all Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, 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; (ii) 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; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common 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; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of this Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan. For greater certainty, the provisions of this section 7.3 shall apply to Insured Claims and Director/Officer Wages Claims in the same manner as Released Claims, except to the extent that the rights of

such Persons to enforce such Insured Claims and/or Director/Officer Wages Claims against an insurer in respect of an Insurance Policy are expressly preserved pursuant to section 3.5(b), section 3.7(b) and/or section 7.1(b), and provided further that, notwithstanding the restrictions on making a claim that are set forth in sections 3.5(b), 3.7(b) and 7.1(b), any claimant in respect of an Insured Claim or a Director/Officer Wages Claim that was duly filed with the Monitor by the Claims Bar Date shall be permitted to file a statement of claim in respect thereof to the extent necessary solely for the purpose of preserving such claimant's ability to pursue such Insured Claim or Director/Officer Wages Claim against an insurer in respect of an Insurance Policy in the manner authorized pursuant to section 3.5(b), section 3.7(b) and/or section 7.1(b).

ARTICLE 8 COURT SANCTION

8.1 Application for Sanction Order

If the Required Majorities of the Affected Creditors in each Voting Class approves the Plan, the Applicant shall apply for the Sanction Order on or before the date set for the hearing of the Sanction Order or such later date as the Court may set. The Sanction Order shall not become effective until the Plan Implementation Date.

8.2 Sanction Order

The Sanction Order shall, among other things:

- (a) declare that (i) the Plan has been approved by the Required Majorities of Affected Creditors in each Voting Class in conformity with the CCAA; (ii) the activities of the Applicant have been in reasonable compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceeding in all respects; (iii) the Court is satisfied that the Applicant has not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;
- (b) declare that as of the Effective Time, the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved, binding and effective as herein set out upon and with respect to the Applicant, all Affected Creditors, the Directors and Officers, any Person with a Director/Officer Claim, the Released Parties and all other Persons named or referred to in, or subject to, the Plan;
- (c) declare that the steps to be taken and the compromises and releases to be effective on the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated by section 5.4 on the Plan Implementation Date, beginning at the Effective Time;
- (d) declare that the New Shareholders' Agreement shall be effective and binding on all holders of the New Common Shares and any Person entitled to receive New Common Shares pursuant to the Plan immediately upon issuance of the New

Common Shares to such Person, with the same force and effect as if such Persons were signatories to the New Shareholders' Agreement;

- (e) compromise, discharge and release the Applicant from any and all Affected Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against the Applicant in respect of or relating to any Affected Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims;
- (f) subject to section 3.7(b) and section 7.1(b), compromise, discharge and release the Released Directors/Officers from any and all Released Director/Officer Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against the Released Directors/Officers in respect of or relating to any Released Directors/Officers Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Released Director/Officer Claims be permanently stayed;
- (g) declare that, subject to performance by the Applicant of its obligations under the Plan and except as provided in the Plan, all obligations, agreements or leases to which any of the Applicant or SkyLink Companies is a party on the Plan Implementation Date shall be and remain in full force and effect, unamended, as at the Plan Implementation Date and no party to any such obligation or agreement shall on or following the Plan Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:
 - (i) of any event which occurred prior to, and not continuing after, the Plan Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies;
 - (ii) that the Applicant has sought or obtained relief or has taken steps as part of the Plan or under the CCAA;
 - (iii) of any default or event of default arising as a result of the financial condition or insolvency of the Applicant;
 - (iv) of the effect upon the Applicant of the completion of any of the transactions contemplated under the Plan; or
 - (v) of any compromises, settlements, restructurings, recapitalizations or reorganizations effected pursuant to the Plan,

and declare that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any non-competition agreement or obligation, provided that such agreement shall terminate or expire in accordance with the terms thereof or as otherwise agreed by the Applicant and the applicable Persons;

- (h) bar, stop, stay and enjoin the commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims and any matter which is released pursuant to Article 7 hereof;
- (i) bar, stop, stay and enjoin the commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with in respect of any Insured Claim or Director/Officer Wages Claim, except as against the applicable insurer(s) to the extent that rights to enforce such Insured Claims and/or Director/Officer Wages Claims against such insurer(s) in respect of an Insurance Policy are expressly preserved pursuant to section 3.5(b), section 3.7(b) and/or section 7.1(b), and provided that, notwithstanding the restrictions on making a claim that are set forth in sections 3.5(b), 3.7(b) and 7.1(b), any claimant in respect of an Insured Claim or a Director/Officer Wages Claim that was duly filed with the Monitor by the Claims Bar Date shall be permitted to file a statement of claim in respect thereof to the extent necessary solely for the purpose of preserving such claimant's ability to pursue such Insured Claim or Director/Officer Wages Claim against an insurer in respect of an Insurance Policy in the manner authorized pursuant to section 3.5(b), section 3.7(b) and/or section 7.1(b);
- (j) authorize the Monitor to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan;
- (k) declare that upon completion by the Monitor of its duties in respect of the Applicant pursuant to the CCAA and the Orders, the Monitor may file with the Court a certificate stating that all of its duties in respect of the Applicant pursuant to the CCAA and the Orders have been completed and thereupon, Duff & Phelps Canada Restructuring Inc. shall be deemed to be discharged from its duties as Monitor of the Applicant and released of all claims relating to its activities as Monitor;
- (l) subject to payment of any amounts secured thereby, declare that each of the Charges shall be terminated, discharged and released;
- (m) declare that the Applicant and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan; and

- (n) declare the Persons to be appointed to the board of directors of SkyLink Aviation on the Plan Implementation Date shall be the Persons on a certificate to be filed with the Court by SkyLink Aviation prior to the Plan Implementation Date, provided that such certificate and the Persons listed thereon shall be subject to the prior consent of the Majority Initial Consenting Noteholders.

ARTICLE 9 CONDITIONS PRECEDENT AND IMPLEMENTATION

9.1 Conditions Precedent to Implementation of the Plan

The implementation of the Plan shall be conditional upon satisfaction of the following conditions prior to or at the Effective Time, each of which is for the benefit of the Consenting Noteholders and may be waived by the Majority Initial Consenting Noteholders; provided, however, that the conditions in sub-paragraphs (a), (c), (d), (e), (g), (h), (i), (j) (as applicable), (l), (m) (as applicable), (n), (q), (r) and (r) shall also be for the benefit of the Applicant and, if not satisfied on or prior to the Effective Time, can only be waived by both the Applicant and Majority Initial Consenting Noteholders (provided that such conditions shall not be enforceable by the Applicant or the Majority Initial Consenting Noteholders if any failure to satisfy such conditions results from an action, error, omission by or within the control of the party seeking enforcement):

- (a) all definitive agreements in respect of the Recapitalization and the new (or amended) articles, by-laws and other constating documents, and all definitive legal documentation in connection with all of the foregoing shall be in a form agreed to in advance by the Applicant and the Majority Initial Consenting Noteholders;
- (b) the steps required to complete the Recapitalization shall be in form and in substance satisfactory to the Majority Initial Consenting Noteholders and shall not result in material adverse tax consequences for the Consenting Noteholders, which Consenting Noteholders shall, in each case, act reasonably;
- (c) New Second Lien Notes Indenture governing the New Second Lien Notes, together with all guarantees and security agreements contemplated thereunder, shall have been entered into and become effective, subject only to the implementation of the Plan, and all required filings related to the security as contemplated in the security agreements shall have been made;
- (d) the New First Lien Credit Agreement, together with all guarantees, intercreditor agreements and security agreements contemplated thereunder, shall have become effective;
- (e) the terms of the New Common Shares shall be satisfactory to the Applicant and the Majority Initial Consenting Noteholders;
- (f) all of the following shall be in form and in substance reasonably satisfactory to the Majority Initial Consenting Noteholders: (i) all materials filed by the Applicant with the Court that relate to the Recapitalization; (ii) the Initial Order,

as such Order may be amended or restated; (iii) the Meetings Order; (iv) the Claims Procedure Order; (v) the Sanction Order; and (vi) any other order granted in connection with the Recapitalization by the Court;

- (g) any and all court-imposed charges on any assets, property or undertaking of the Applicant shall have been discharged as at the Effective Time on terms acceptable to the Majority Initial Consenting Noteholders and the Applicant, acting reasonably;
- (h) all Material filings under Applicable Laws shall have been made and any Material regulatory consents or approvals that are required in connection with the Recapitalization shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated;
- (i) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Recapitalization that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit), the Recapitalization or any part thereof or requires or purports to require a variation of the Recapitalization;
- (j) the representations and warranties of the Applicant and the Consenting Noteholders set forth in the Support Agreement shall be true and correct in all material respects in accordance with the terms of the Support Agreement;
- (k) there shall not exist or have occurred any Material Adverse Effect;
- (l) all securities of the Applicant, when issued and delivered, shall be duly authorized, validly issued and fully paid and non-assessable and the issuance thereof shall be exempt from all prospectus and registration requirements of Applicable Laws;
- (m) all conditions set out in the Support Agreement shall have been satisfied or waived by the applicable parties pursuant to the terms of the Support Agreement;
- (n) the Support Agreement shall not have been terminated;
- (o) the Applicant's counsel shall have rendered customary opinions concerning the issuance of the new securities to be issued under the Plan;
- (p) the Articles of Reorganization shall have been filed on terms providing that they will become effective in accordance with and at the times of section 5.4(j), 5.4(k), 5.4(l);
- (q) all fees and expenses owing to the Company Advisors and the Noteholder Advisors shall have been paid as of the Plan Implementation Date, and SkyLink Aviation and the Majority Initial Consenting Noteholders shall be satisfied that

adequate provision has been made for any fees and expenses due or accruing due to the Company Advisors and the Majority Initial Consenting Noteholders from and after the Plan Implementation Date; and

- (r) the Sanction Order shall have been made and shall have become a Final Order.

9.2 Monitor's Certificate

Upon delivery of written notice from the Applicant and Majority Initial Consenting Noteholders of the satisfaction or waiver of the conditions set out in section 9.1, the Monitor shall forthwith deliver to Bennett Jones LLP and the Applicant a certificate stating that the Plan Implementation Date has occurred and that the Plan is effective in accordance with its terms and the terms of the Sanction Order. As soon as practicable following the Plan Implementation Date, the Monitor shall file such certificate with the Court.

ARTICLE 10 GENERAL

10.1 Binding Effect

The Plan will become effective on the Plan Implementation Date. On the Plan Implementation Date:

- (a) the treatment of Affected Claims and Released Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Applicant, all Affected Creditors, any Person having a Released Claim and all other Persons named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (b) all Affected Claims shall be forever discharged and released, excepting only the obligations in the manner and to the extent provided for in the Plan;
- (c) all Released Claims shall be forever discharged and released;
- (d) each Affected Creditor and each Person holding a Released Claim shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety; and
- (e) each Affected Creditor and each Person holding a Released Claim shall be deemed to have executed and delivered to the Applicant and to the Directors and Officers, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

10.2 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Applicant then existing or previously committed by the Applicant, or caused by the Applicant, by any of the provisions in the Plan or steps contemplated in the Plan,

or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Applicant and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Applicant from performing its obligations under the Plan or be a waiver of defaults by the Applicant under the Plan and the related documents.

10.3 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

10.4 Non-Consummation

Subject to the terms of the Support Agreement, the Applicant reserves the right to revoke or withdraw the Plan at any time prior to the Sanction Date. If the Applicant revokes or withdraws the Plan, or if the Sanction Order is not issued or if the Plan Implementation Date does not occur, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan, including the fixing or limiting to an amount certain any Claim, any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Applicant or any other Person; (ii) prejudice in any manner the rights of the Applicant or any other Person in any further proceedings involving the Applicant; or (iii) constitute an admission of any sort by the Applicant or any other Person.

10.5 Modification of the Plan

- (a) The Applicant reserves the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan, but only with the consent of the Majority Initial Consenting Noteholders, provided that any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Court and (i) if made prior to or at the Meetings, communicated to the Affected Creditors; and (ii) if made following the Meetings, approved by the Court following notice to the Affected Creditors.
- (b) Notwithstanding section 10.5(a), any amendment, restatement, modification or supplement may be made by the Applicant with the consent of the Monitor and the Majority Initial Consenting Noteholders, without further Court Order or approval, provided that it concerns a matter which, in the opinion of the Applicant, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors.

- (c) Any amended, restated, modified or supplementary plan or plans of compromise filed with the Court and, if required by this section, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in the Plan.

10.6 Majority Initial Consenting Noteholders

For the purposes of this Plan, the Applicant shall be entitled to rely on written confirmation from Bennett Jones LLP that the Majority Initial Consenting Noteholders have agreed to, waived, consented to or approved a particular matter. Bennett Jones LLP shall be entitled to rely on a communication in any form acceptable to Bennett Jones LLP, in its sole discretion, from any Initial Consenting Noteholder for the purpose of determining whether such Initial Consenting Noteholder has agreed to, waived, consented to or approved a particular matter, and the principal amount of Notes held by such Initial Consenting Noteholder.

10.7 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between:

- (a) the Plan or the Sanction Order; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Applicant as at the Plan Implementation Date and the notice of articles, articles or bylaws of the Applicant at the Plan Implementation Date;

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority, provided that any settlement agreement executed by the Applicant and any Person asserting a Claim or a Director/Officer Claim that was entered into from and after the Filing Date shall be read and interpreted in a manner that assumes that such settlement agreement is intended to operate congruously with, and not in conflict with, the Plan.

10.8 Severability of Plan Provisions

If, prior to the Sanction Date, 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 Applicant and with the consent of the Monitor and the Majority Initial Consenting Noteholders, shall have the power to either (a) sever such term or provision from the balance of the Plan and provide the Applicant with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date, or (b) 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, and provided that the Applicant proceeds with the implementation of the Plan, 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.

10.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceeding and the Plan with respect to the Applicant and will not be responsible or liable for any obligations of the Applicant.

10.10 Different Capacities

Persons who are affected by this Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Applicant and the Person in writing or unless its Claims overlap or are otherwise duplicative.

10.11 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Applicant:

c/o SkyLink Aviation Inc.
1027 Yonge Street,
Toronto, ON, Canada
M4W 2K9

Attention: David Miller, General Counsel
Fax: (416) 924-9006
Email: dmiller@skylinkaviation.com

with a copy to:

Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Attention: Robert Chadwick/ Logan Willis
Fax: (416) 979-1234
Email: rchadwick@goodmans.ca/lwillis@goodmans.ca

If to the Consenting Noteholders represented by Bennett Jones LLP:

c/o Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Attention: S. Richard Orzy /Sean Zweig
Fax: (416) 863-1716
Email: orzyr@bennettjones.com/zweigs@bennettjones.com

If to an Affected Creditor (other than a Consenting Noteholder represented by Bennett Jones LLP), to the mailing address, facsimile address or email address provided on such Affected Creditor's Notice of Claim or Proof of Claim;

If to the Monitor:

Duff & Phelps Canada Restructuring Inc.

333 Bay Street
14th Floor
Toronto, Ontario M5H 2R2
Attention: Robert Kofman/David Sieradzki
Fax: (647) 497-9490/(647) 497-9470
Email bobby.kofman@duffandphelps.com /
david.sieradzki@duffandphelps.com

with a copy to:

Lax O'Sullivan Scott Lisus LLP

Attention: Matthew Gottlieb
Fax: (416) 598-3730
Email: mgottlieb@counsel-toronto.com

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 5:00 p.m. (Toronto time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

10.12 Further Assurances

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

DATED as of the 18th day of April, 2013.

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SCHEDULE A

SUMMARY OF TERMS OF NEW SECOND LIEN NOTES

- \$10 million aggregate principal amount
- 5 year term
- 12.25% annual interest rate
- Each individual note will represent a principal amount of \$1000
- The governing trust indenture will be substantially similar to the Secured Note Indenture, with certain exceptions, including:
 - PIK toggle feature pursuant to which, at the Applicant's option, interest may be paid in kind rather than in cash in the first 2 years
 - Optional redemptions at the following amounts:
 - 2013 – 109.188%
 - 2014 – 106.125%
 - 2015 – 103.063%
 - 2016 and thereafter – 100.000%

SCHEDULE B

RELEASED DIRECTORS/OFFICERS

Jan Ottens
David Miller
Eitan Dehtiar
Mark Thielmann
Harry Green
Peter Scala
Mark Massad
Tom White
Roselyn Samtleben
Matthew Constantino
Samuel Hines
Rob Seminara
Brenna Haysom
Kenneth Taylor
Stephen Arbib
Walter Arbib
Surjit Babra
Harjit Kalsi

SCHEDULE C

RELEASED SHAREHOLDERS

SL Aviation Group, S.a r.l
AlpInvest Partners SL B.V.
Apollo Management VII, L.P.
Sandton SkyLink Acquisition, LLC
WSA (2008) Holdings Inc.
WSA (2008) Transactions Inc.
SSB (2008) Transactions Inc.

SCHEDULE D

DIRECTOR/OFFICER WAGES CLAIMS

1. Director/Officer Claim by Olavo Valaderes in the amount of \$1,413,700 for alleged unpaid remuneration consisting of (a) \$1,200,000 in respect of certain options issued by SkyLink Aviation, (b) \$150,000 for a bonus allegedly payable for the year ended December 31, 2012 and (c) \$63,700 for alleged unpaid vacation pay.
2. Director/Officer Claim by Vito Morriello in the amount of \$3,379,726 for alleged unpaid remuneration consisting of (a) \$3,000,000 in respect of certain options issued by SkyLink Aviation and (b) \$379,726 for alleged unpaid vacation pay.
3. Director/Officer Claim by Jan Ottens in the amount of \$1,568,233.56 for alleged unpaid remuneration consisting of (a) \$288,832, representing the alleged unpaid balance owing in respect a signing bonus and (b) \$1,279,401 in respect of certain options issued by SkyLink Aviation.
4. Director/Officer Claim by Stephen Arbib in the amount of \$600,000 for alleged unpaid remuneration consisting of \$600,000 in respect of certain options issued by SkyLink Aviation.

Schedule “B”

Monitor’s Certificate of Plan Implementation

Court File No. 13-1003300-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
SKYLINK AVIATION INC.**

**CERTIFICATE OF DUFF & PHELPS CANADA RESTRUCTURING INC.
AS THE COURT-APPOINTED MONITOR OF SKYLINK AVIATION INC.**

(Plan Implementation)

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan of Compromise and Arrangement concerning, affecting and involving SkyLink Aviation Inc. (the “**Applicant**”) dated April 18, 2013 (the “**Plan**”), which is attached as Schedule “A” to the Plan Sanction Order of the Honourable Justice Morawetz made in these proceedings on the ● day of April, 2013 (the “**Plan Sanction Order**”), as the Plan may be further amended, varied or supplemented from time to time in accordance with its terms.

Pursuant to section 9.2 of the Plan and paragraph 14 of the Plan Sanction Order, Duff & Phelps Canada Restructuring Inc. in its capacity as the Court-appointed monitor of the Applicant (the “**Monitor**”) delivers this certificate to counsel to the Initial Consenting Noteholders (on behalf of the Initial Consenting Noteholders) and counsel to the Applicant (on behalf of the Applicant) and hereby certifies that:

1. The Monitor has received written confirmation from the Applicant and the Majority Initial Consenting Noteholders (or their respective counsel) that the conditions precedent set out in section 9.1 of the Plan have been satisfied or waived, as applicable.
2. Pursuant to the terms of the Plan, the Plan Implementation Date has occurred.
3. The Plan is effective in accordance with its terms.
4. This Certificate will be filed with the Court.

DATED at the City of Toronto, in the Province of Ontario, this ● day of ●, 2013.

DUFF & PHELPS CANADA RESTRUCTURING INC.,
in its capacity as Court-appointed Monitor of SkyLink
Aviation Inc.

By:

Name:

Title:

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF
COMPROMISE AND ARRANGEMENT OF SKYLINK AVIATION INC.**

Court File No.: 13-1003300-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**PLAN SANCTION ORDER
(returnable April 23, 2013)**

Goodmans LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Robert J. Chadwick (LSUC# 35165K)
Logan Willis (LSUC# 53894K)

Tel: 416.979.2211
Fax: 416.979.1234

Lawyers for the Applicant

TAB 19

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.
JUSTICE HAINEY

)
)
)

TUESDAY, THE 27th
DAY OF MARCH, 2018



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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BANRO
CORPORATION, BANRO GROUP (BARBADOS) LIMITED, BANRO CONGO (BARBADOS)
LIMITED, NAMOYA (BARBADOS) LIMITED, LUGUSHWA (BARBADOS) LIMITED,
TWANGIZA (BARBADOS) LIMITED AND KAMITUGA (BARBADOS) LIMITED**

(the "Applicants")

**ORDER
(Plan Sanction)**

THIS MOTION made by the Applicants for an Order (the "**Sanction Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") *inter alia* (a) approving and sanctioning the Amended Consolidated Plan of Compromise and Reorganization of the Applicants dated March 9, 2018 (the "**Plan**"), a copy of which is attached hereto as Schedule "A", and (b) approving the Third Report of FTI Consulting Canada Inc. in its capacity as Monitor (the "**Monitor**"), dated February 15, 2018 (the "**Third Report**") and the Fourth Report of the Monitor dated March 13, 2018 (the "**Fourth Report**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the within Notice of Motion, the Affidavit of Rory James Taylor sworn March 13, 2018 including the exhibits thereto, the Confidential Affidavit of Rory James Taylor sworn March 13, 2018 (the "**Confidential Affidavit**"), the Third Report, the Fourth Report, the affidavit of Sophie Moher sworn March 26, 2018, and upon hearing the submissions of counsel for the Applicants, the Monitor, Gramercy Funds Management LLC, Baiyin International

Investment Limited, Baiyin Nonferrous Group Company, Limited, VR Global Partners, L.P. and no one else appearing although duly served as appears from the affidavit of service of Sophie Moher sworn March 13, 2018, and upon being advised that this Order shall serve as the basis for reliance on the exemption provided by Section 3(a)(10) of the *United States Securities Act of 1933*, as amended, from the registration requirements otherwise imposed by that Act,

DEFINED TERMS

1. **THIS COURT ORDERS** that all capitalized terms not otherwise defined herein shall be as defined in the Plan or as in the Meeting Order made in this proceeding (the “**CCAA Proceedings**”) by Justice Hainey on February 1, 2018 (the “**Meeting Order**”), as applicable.

SERVICE, NOTICE AND MEETINGS

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record, and the Fourth Report be and is hereby validated such that this Motion is properly returnable today and that service thereof upon any interested party other than the persons served with the Motion Record is hereby dispensed with.

3. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient service, delivery and notice to all Affected Creditors of the Information Package and the Noteholder Information Package, and that the Creditors’ Meetings were duly, called, convened, held and conducted all in conformity with the CCAA and all other Orders of this Court in the CCAA Proceedings (collectively, the “**CCAA Orders**”).

SANCTION OF THE PLAN

4. **THIS COURT ORDERS AND DECLARES** that:

- (a) Pursuant to the Meeting Order, the relevant classes of creditors of the Applicants for the purposes of voting to approve the Plan are the Affected Banro Unsecured Class and the Affected Secured Class;
- (b) the Plan has been approved by the Affected Banro Unsecured Required Majority and the Affected Secured Required Majority, all in conformity with the CCAA and the terms of the Meeting Order;

- (c) the Applicants have acted, and are acting, in good faith and with due diligence, and have complied with the provisions of the CCAA and the CCAA Orders in all respects;
- (d) the Court is satisfied that the Applicants have not done or purported to do anything that is not authorized by the CCAA; and
- (e) the Plan, all terms and conditions thereof, and the matters and the transactions contemplated thereby, are fair and reasonable including to all Persons who are entitled to receive equity in Newco in accordance with the Plan.

5. **THIS COURT ORDERS** that the Plan is hereby sanctioned and approved pursuant to section 6 of the CCAA and section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44.

PLAN IMPLEMENTATION

6. **THIS COURT ORDERS AND DECLARES** that the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby (including, without limitation, the steps in Article 7 of the Plan) are hereby approved, shall be deemed to be implemented and shall be binding and effective as of the Effective Time in accordance with the terms of the Plan or at such other time, times or manner as may be set forth in the Plan in the sequence provided therein, and shall enure to the benefit of and be binding and effective upon the Applicants, the Directors, the Officers, the Consenting Parties, all Affected Creditors, the DIP Lender, the Released Parties and all other Persons and parties named or referred to in, affected by, or subject to the Plan as provided for in the Plan or this Order.

7. **THIS COURT ORDERS** that each of the Applicants, the Directors, the Officers, and the Monitor is authorized and directed to take all steps and actions and to do all things, necessary or appropriate, to implement the Plan in accordance with its terms and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, disbursements, payments, deliveries, allocations, instruments and agreements contemplated by, and subject to the terms and conditions of, the Plan, and all such steps and actions are hereby authorized, ratified and approved. None of the Applicants, the Directors, the Officers or the Monitor shall incur any liability as a result of acting in accordance with the terms of the Plan and this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of such parties.

8. **THIS COURT ORDERS** that upon delivery of written notice from the Applicants and the Requisite Consenting Parties (or counsel on their behalf) to the Monitor that the conditions precedent as set out in the Plan have been satisfied or waived, as applicable, in accordance with the terms of the Plan, the Monitor shall as soon as reasonably practicable following receipt of such written notice, deliver to the Applicants a certificate signed by the Monitor substantially in the form attached hereto as Schedule "B" (the "**Monitor's Certificate**") certifying that all conditions precedent set out in the Plan have been satisfied or waived and that the Implementation Date has occurred and that the Plan and the provisions of this Sanction Order which come into effect on the Implementation Date are effective in accordance with their respective terms. Following the delivery of the Monitor's Certificate to the Applicants, the Monitor shall file the Monitor's Certificate with the Court, and shall post a copy of same, once filed, on the Monitor's website and provide a copy to the Service List. Upon delivery of the Monitor's Certificate to the Applicants, all applicable parties shall take such steps as are required to implement the steps set out in section 7.3 of the Plan.

COMPROMISE OF CLAIMS AND EFFECT OF PLAN

9. **THIS COURT ORDERS** that, pursuant to and in accordance with the terms of the Plan, on the Implementation Date, all existing Claims of Affected Creditors against the Applicants shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, extinguished and barred and all proceedings with respect to, in connection with or relating to such Affected Claims shall permanently be stayed against the Released Parties, subject only to the right of Affected Creditors to receive the distributions pursuant to the Plan and this Order in respect of their Claims, in the manner and to the extent provided for in the Plan.

10. **THIS COURT ORDERS** that the determination of Proven Claims in accordance with the Claims Procedure Order and Plan shall be final and binding on the Applicants and all Affected Creditors.

11. **THIS COURT ORDERS** that an Affected Creditor holding a Disputed Affected Banro Unsecured Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Disputed Affected Banro Unsecured Claim becomes a Proven Claim in accordance with the Claims Procedure Order and Plan.

12. **THIS COURT ORDERS** that nothing in the Plan extends to or shall be interpreted as extending or amending the Claims Bar Date or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order. Any Affected Claim or Director/Officer Claim for which a Proof of Claim or Director/Officer Proof of Claim has not been filed in accordance with the Claims Procedure Order, including for greater certainty and without limitation all claims or causes of action based on the allegations contained in the Lepard Action as defined below, whether or not the holder of such Affected Claim or Director/Officer Claim has received personal notification of the claims process established by the Claims Procedure Order, have been, shall be and are hereby forever barred, extinguished and released with prejudice.

13. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Plan or this Sanction Order, all obligations or agreements to which the Applicants are a party to immediately prior to the Effective Time, will be and shall remain in full force and effect as at the Implementation Date, unamended except as they may have been amended by agreement of the parties to such agreement, and no Person who is a party to any such obligation or agreement shall, following the Implementation Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, option, dilution or other remedy) or make any demand under or in respect of any such obligation or agreement, by reason of (i) any defaults or events of default arising as a result of the insolvency of the Applicants prior to the Implementation Date; (ii) any defaults, events of default or cross-defaults under or in respect of any Priority Lien Debt or Parity Lien Debt (as defined in the Amended and Restated Collateral Trust Agreement dated April 19, 2017), in each case arising prior to the Implementation Date; (iii) any change of control of the Applicants arising from the implementation of the Plan; (iv) the fact that the Applicants have sought or obtained relief under the CCAA or that the Plan has been implemented by the Applicants; (v) the effect on the Applicants of the completion of any of the transactions contemplated by the Plan; (vi) any compromises, arrangements, or reorganization effected pursuant to the Plan; or (vii) any other event(s) which occurred on or prior to the Implementation Date which would have entitled any Person to enforce rights and remedies subject to any express provisions to the contrary in any agreements entered into with the Applicants after the Filing Date.

14. **THIS COURT ORDERS** that from and after the Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Applicants then existing or previously committed by the Applicants, or caused by the Applicants, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, guarantee, agreement for sale, deed, licence, permit or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and any of the Applicants arising directly or indirectly from the filing by the Applicants under the CCAA and the implementation of the Plan, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Applicants from performing their obligations under the Plan or be a waiver of defaults by the Applicants under the Plan and the related documents.

15. **THIS COURT ORDERS** that on the Implementation Date, in accordance with the Plan all Equity Interests in Banro Corporation ("**Banro**") shall be cancelled without any liability, payment or other compensation in respect thereof.

16. **THIS COURT ORDERS AND DECLARES** that all claims or causes of action against Banro Corporation based on the allegations set out in the Class Action Complaint filed in the United States District Court for the Southern District of New York by EMA GARP FUND L.P. and Lawrence Lepard, individually and on behalf of all others similarly situated as plaintiffs (the "**Plaintiffs**") against Banro Corporation and John Clarke as defendants, bearing Case No. 18-cv-01986 (the "**Lepard Action**") constitute Affected Equity Claims.

17. **THIS COURT ORDERS AND DECLARES** that on the Implementation Date, in accordance with section 4.4 of the Plan, all Affected Equity Claims shall be fully and finally, irrevocably and forever compromised, released, discharged, cancelled and barred and that no Person including the Plaintiffs in the Lepard Action shall be entitled to any consideration or distributions in respect of such Affected Equity Claims.

DISTRIBUTIONS

18. **THIS COURT ORDERS AND DECLARES** that all distributions or payments by the Monitor, on behalf of the Applicants, to Affected Creditors with Proven Claims under the Plan are for the account of the Applicants and the fulfillment of the Applicants' obligations under the Plan.

19. **THIS COURT ORDERS** that the Applicants are authorized to take any and all such actions as may be necessary or appropriate to comply with applicable withholding and reporting requirements. All amounts withheld on account of Taxes shall be treated for all purposes as having been paid to Affected Creditors in respect of which such withholding was made, provided such withheld amounts are remitted to the appropriate Taxing Authority.

20. **THIS COURT ORDERS AND DECLARES** that the Applicants or the Monitor on behalf of the Applicants, as the case may be, shall be authorized, in connection with the making of any payment or distribution, and in connection with the taking of any step or transaction or performance of any function under or in connection with the Plan, to apply to any Governmental Entity for any consent, authorization, certificate or approval in connection therewith.

21. **THIS COURT ORDERS** that, on the Implementation Date, Newco shall issue the New Equity in accordance with the Plan to be held by the Transfer Agent on behalf of each Proven Affected Secured Creditor until such time as each Proven Affected Secured Creditor has delivered its Newco Equityholder Information in accordance with the Plan. In the event that a Proven Affected Secured Creditor fails to deliver its Newco Equityholder Information in accordance with the Plan on or before the date that is six months following the Implementation Date, the New Equity otherwise issuable to such Proven Affected Secured Creditor pursuant to the Plan shall not be delivered to such Proven Affected Secured Creditor and Newco shall be entitled to cancel, and shall have no further obligation to issue or deliver, any New Equity to such Proven Affected Secured Creditors in respect of which Newco Equityholder Information was not received and such Proven Affected Secured Creditors shall cease to have a claim to, or interest of any kind or nature against or in, the Applicants, Newco or the New Equity.

CHARGES

22. **THIS COURT ORDERS** that the Administration Charge and the Directors' Charge shall continue in full force and effect and shall, from and after the Effective Time, attach solely against the Administrative Reserve.

23. **THIS COURT ORDERS** that as of the Effective Time, the DIP Lenders' Charge and the DIP Claims shall be released without the consent of the Requisite Consenting Parties.

RELEASES

24. **THIS COURT ORDERS AND DECLARES** that the compromises, arrangements, releases, discharges and injunctions contemplated in Article 8 of the Plan, including those granted by and for the benefit of the Released Parties are integral components thereof and that, effective on the Implementation Date, all such compromises, releases, discharges and injunctions contemplated in the Plan are effective, sanctioned, approved and given full force and effect.

25. **THIS COURT ORDERS** that, to the extent not barred, released or otherwise affected by paragraph 12 above, and notwithstanding paragraph 24 above, any Person having, or claiming any entitlement or compensation relating to, a Director/Officer Claim (with the exception of any Director/Officer Claims judged by the express terms of a judgment rendered on a final determination on the merits to have resulted from criminal, fraudulent or other wilful misconduct on the part of the Director or Officer (an "**Excluded Director/Officer Claim**")) will be irrevocably limited to recovery in respect of such Director/Officer Claim solely from the proceeds of the applicable insurance policies held by the Applicants (the "**Insurance Policies**"), and Persons with any Director/Officer Claims will have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from the Applicants or any Released Party, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. Nothing in this Plan Sanction Order prejudices, compromises, releases or otherwise affects any right or defence of any insurer in respect of an Insurance Policy or any insured in respect of a Director/Officer Claim. Notwithstanding anything to the contrary herein, from and after the Implementation Date, a Person may only commence or continue an action for an Excluded Director/Officer Claim against a Director or Officer if such Person has first obtained leave of the Court on notice to the applicable Directors and Officers, the Monitor and the Applicants.

26. **THIS COURT ORDERS** that from and after the Implementation Date any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced,

taken or proceeded with against any Released Party in respect of all Claims and matters which are released pursuant to Article 8 of the Plan or discharged, compromised or terminated pursuant to the Plan, except as against the applicable insurer(s) to the extent that Persons with Director/Officer Claims seek to enforce rights to be paid from the proceeds of the Insurance Policies, and provided that any claimant in respect of a Director/Officer Claim that was duly filed with the Monitor by the Claims Bar Date shall be permitted to file a statement of claim in respect thereof to the extent necessary solely for the purpose of preserving such claimant's ability to pursue such Director/Officer Claim against an insurer in respect of an Insurance Policy. Notwithstanding anything to the contrary contained herein, from and after the Implementation Date, a Person may only commence or continue an action against a Released Party in respect of a matter that is not released pursuant to Article 8.1(a)(iii) of the Plan if such Person has first obtained leave of the Court on notice to the applicable Released Party, the Applicants, Newco, the Monitor and the insurer(s) under any applicable Insurance Policy.

27. **THIS COURT ORDERS** that, on the Implementation Date, each Affected Creditor, each holder of a Director/Officer Claim and any Person having a Released Claim shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety, and, in particular, each Affected Creditor, each holder of a Director/Officer Claim and any Person having a Released Claim shall be deemed:

- (a) to have executed and delivered to the Monitor, the Applicants and the other Released Parties all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (b) to have agreed that if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor, holder of a Director/Officer Claim, and the Applicants as of the Implementation Date and the provisions of the Plan, the provisions of the Plan take precedence and priority, and the provisions of such agreement or other arrangements shall be deemed to be amended accordingly.

THE MONITOR

28. **THIS COURT ORDERS** that in addition to its prescribed rights and obligations under the CCAA and the CCAA Orders, the Monitor is granted the powers, duties and protections contemplated by and required under the Plan and that the Monitor be and is hereby authorized,

entitled and empowered to perform its duties and fulfil its obligations under the Plan to facilitate the implementation thereof and to apply to this Court for any orders necessary or advisable to carry out its powers and obligations under any other CCAA Order.

29. **THIS COURT ORDERS** that, without limiting the provisions of the Initial Order or the provisions of any other CCAA Order, including this Order, the Applicants shall remain in possession and control of the Property (as defined in the Initial Order) and the Monitor shall not take possession or be deemed to be in possession and/or control of the Property.

30. **THIS COURT ORDERS** that the Applicants shall be and are hereby directed to maintain the books and records of the Applicants for purposes of assisting the Monitor in the completion of the resolution of the Affected Banro Unsecured Claims;

31. **THIS COURT ORDERS AND DECLARES** that in no circumstance will the Monitor have any liability for any of the Applicants' tax liabilities regardless of how or when such liabilities may have arisen.

32. **THIS COURT ORDERS** that, effective upon the delivery of the Monitor's Certificate to the Applicants in accordance with paragraph 8 hereof:

(a) the Initial Order shall be amended to delete in their entirety subparagraphs 27(a), 27(c), 27(d), 27(e) and 27(f) and the Monitor shall thereafter have no obligation to perform any duty or exercise any power set out in such subparagraphs; and

(b) the Applicants shall not be subject to the restrictions, obligations, requirements or provisions of paragraphs 8-13 or 23 of the Initial Order.

EXTENSION OF STAY PERIOD

33. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 15 of the Initial Order) be and is hereby extended until and including the earlier of April 27, 2018 or the filing of the Monitor's Certificate.

APPROVAL OF MONITOR'S THIRD AND FOURTH REPORTS

34. **THIS COURT ORDERS** that the Third Report and Fourth Report and the conduct and activities of the Monitor described therein be and are hereby approved.


SEALING

35. **THIS COURT ORDERS** that the Confidential Affidavit be and is hereby sealed and treated as confidential.

GENERAL

36. **THIS COURT ORDERS** that the Applicants, the Monitor and any other interested parties are hereby granted leave to apply to this Court for such further advice, directions or assistance as may be necessary to give effect to the terms of the Plan and any other matters that pertain to the completion of the administration of the CCAA Proceedings.

37. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body having jurisdiction in Canada, the United States, or in any other foreign jurisdiction, to recognize and give effect to the Plan and this Order, to confirm the Plan and this Order as binding and effective in any appropriate foreign jurisdiction, and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of the Plan and this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants, and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Applicants in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

A handwritten signature in black ink, appearing to read "Hainey J.", written over a horizontal line.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAR 27 2018

PER / PAR: *RW*

SCHEDULE "A"
PLAN OF COMPROMISE AND REORGANIZATION

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BANRO CORPORATION, BANRO GROUP (BARBADOS) LIMITED, BANRO CONGO (BARBADOS) LIMITED, NAMOYA (BARBADOS) LIMITED, LUGUSHWA (BARBADOS) LIMITED, TWANGIZA (BARBADOS) LIMITED AND KAMITUGA (BARBADOS) LIMITED

APPLICANTS

**AMENDED CONSOLIDATED PLAN OF COMPROMISE AND REORGANIZATION
PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT* and the *CANADA
BUSINESS CORPORATIONS ACT***

concerning, affecting and involving

**BANRO CORPORATION, BANRO GROUP (BARBADOS) LIMITED, BANRO CONGO
(BARBADOS) LIMITED, NAMOYA (BARBADOS) LIMITED, LUGUSHWA (BARBADOS)
LIMITED, TWANGIZA (BARBADOS) LIMITED AND KAMITUGA (BARBADOS) LIMITED**

March 26, 2018

CONSOLIDATED PLAN OF COMPROMISE AND REORGANIZATION

A. Banro Corporation (“**Banro**”), Banro Group (Barbados) Limited, Banro Congo (Barbados) Limited, Namoya (Barbados) Limited, Lugushwa (Barbados) Limited, Twangiza (Barbados) Limited and Kamituga (Barbados) Limited (collectively, the “**Banro Barbados Entities**” and together with Banro, the “**Applicants**”) are debtor companies (as such term is defined in the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCA**”)).

B. On December 22, 2017, the Honourable Justice Hailey of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an Initial Order in respect of the Applicants (as such Order may be amended, restated or varied from time to time, the “**Initial Order**”) pursuant to the CCA.

C. The Applicants and the Non-Applicant Subsidiaries (as defined herein) (together, the “**Banro Parties**”) entered into a Support Agreement dated December 22, 2017 (as it may be amended, restated and varied from time to time in accordance with the terms thereof, the “**Support Agreement**”) with Baiyin International Investment Limited and affiliates thereof within the direct or indirect control of Baiyin Nonferrous Group Company, Limited (collectively, “**Baiyin**”), Gramercy Funds Management LLC, as agent for and on behalf of certain funds and accounts for which it acts as investment manager or advisor (“**Gramercy**”) and any other party that executed a Consent Agreement (as defined herein) (collectively, the “**Consenting Parties**” and each a “**Consenting Party**”) pursuant to which the Consenting Parties agreed to support this Plan.

NOW THEREFORE the Applicants hereby propose and present this consolidated plan of compromise and reorganization under the CCA and the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44.

ARTICLE 1 INTERPRETATION

1.1 Certain Rules of Interpretation

For the purposes of this Plan:

- (a) In this Plan and the Recitals, unless otherwise stated or the subject matter or context otherwise requires, all terms defined herein have their meanings ascribed thereto in Schedule “**A**”.
- (b) Any reference in this Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means such document shall be substantially in such form or substantially on such terms and conditions;
- (c) Unless otherwise expressly provided herein, any reference in this Plan to an instrument, agreement or an Order or an existing document or exhibit filed or to be filed means such instrument, agreement, Order, document or exhibit as it may have been or may be amended, modified, or supplemented in accordance with its terms;

- (d) The division of this Plan into articles and sections is for convenience of reference only and does not affect the construction or interpretation of this Plan, nor are the descriptive headings of articles and sections intended as complete or accurate descriptions of the content thereof;
- (e) The use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of this Plan to such Person (or Persons) or circumstances as the context otherwise permits;
- (f) The words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes but is not limited to” and “including but not limited to”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (g) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day;
- (h) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends;
- (i) Unless otherwise provided, any reference to a statute or other enactment of parliament, a legislature or other Governmental Entity includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (j) References to a specific Recital, Article or Section shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specific Recital, Article or Section of this Plan, whereas the terms “this Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions shall be deemed to refer generally to this Plan and not to any particular Recital, Article, Section or other portion of this Plan and include any documents supplemental hereto; and
- (k) The word “or” is not exclusive.

1.2 Governing Law

This Plan shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the jurisdiction of the Court.

1.3 Currency

Unless otherwise stated, all references in this Plan to sums of money are expressed in, and all payments provided for herein shall be made in, United States dollars. In accordance with paragraph 35 of the Claims Procedure Order, any Claim (other than Priority Claims) in a currency other than United States dollars must be converted to United States dollars, and any

such amount shall be regarded as having been converted at the daily exchange rate quoted by the Bank of Canada for exchanging such currency to United States dollars as at the Filing Date, which for a conversion of Canadian dollars to United States dollars is CDN\$1.2759: USD\$1.00.

1.4 Date for Any Action

If the date on which any action is required to be taken hereunder by a Person is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Time

Time shall be of the essence in this Plan.

ARTICLE 2 PURPOSE AND EFFECT OF THIS PLAN

2.1 Purpose

The purpose of this Plan is to:

- (a) implement the Recapitalization; and
- (b) allow the Applicants to reorganize and continue ongoing operations;

in the expectation that Persons who have an economic interest in the Applicants or the Non-Applicant Subsidiaries, when considered as a whole, will derive a greater benefit from the implementation of the Plan than would result from a bankruptcy of the Applicants.

2.2 Support Agreement

The Banro Parties have executed the Support Agreement pursuant to which the Consenting Parties have agreed to support this Plan.

2.3 Effectiveness

Subject to the satisfaction, completion or waiver (to the extent permitted pursuant to section 9.4) of the conditions precedent set out herein, this Plan will become effective in the sequence described in Section 7.2 from and after the Effective Time and shall be binding on and enure to the benefit of the Applicants, the Affected Creditors, the Released Parties, and all other Persons as provided for herein, or subject to, this Plan and their respective successors and assigns and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

2.4 Persons Not Affected

- (a) This Plan does not affect Excluded Creditors to the extent of their Excluded Claims. Nothing in this Plan shall affect the Banro Parties' rights and defences, both legal and equitable, with respect to any Excluded Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Excluded Claims. Nothing herein shall constitute a waiver of any rights of any of the Applicants to dispute the quantum or validity of an Excluded Claim.

- (b) Other than with respect to the Affected Secured Claims and the Released Claims, this Plan does not affect or otherwise impair the Claims of any Person as against the Banro Barbados Entities or any of their direct subsidiaries.

ARTICLE 3 CLASSIFICATION, VOTING CLAIMS AND RELATED MATTERS

3.1 Classes

For the purposes of considering, voting on, and receiving distributions under this Plan, the Affected Creditors shall constitute two classes: (i) the Affected Secured Class; and (ii) the Affected Banro Unsecured Class.

3.2 Claims of Affected Creditors

Except as otherwise provided in the Meeting Order, Affected Creditors shall be entitled to vote their Voting Claims at the Creditors' Meetings in respect of this Plan and shall be entitled to receive distributions on account of their Proven Claims as provided under and pursuant to this Plan.

3.3 Excluded Claims

Excluded Claims shall not be compromised under the Plan. No Excluded Creditor shall be:

- (a) entitled to vote or (except as otherwise expressly stated in the Meeting Order) attend in respect of their Excluded Claims at any Creditors' Meeting to consider and approve this Plan; or
- (b) entitled to receive any distribution or consideration under this Plan in respect of such Excluded Claim.

3.4 Guarantees

No Person who has a Claim under a guarantee in respect of any Claim which is compromised under the Plan (a "**Principal Claim**") or who has any right to or claim over in respect of or to be subrogated to the rights of any Person in respect of a Principal Claim, shall:

- (a) be entitled to any greater rights as against any of the Applicants than the Person holding the Principal Claim;
- (b) be entitled to vote on this Plan to the extent that the Person holding the Principal Claim is voting on this Plan; or
- (c) be entitled to receive any distribution under this Plan to the extent that the Person holding the Principal Claim is receiving a distribution.

3.5 Creditors' Meetings

- (a) The Creditors' Meetings shall be held in accordance with this Plan, the Meeting Order and any further Order in the CCAA Proceedings. Subject to the terms of any further Order in the CCAA Proceedings, the only Persons entitled to notice of, to attend or to speak at the Creditors' Meetings are the Eligible Voting Creditors (or their respective duly-appointed proxyholders), representatives of the Monitor, the Applicants, all such parties' financial and legal advisors, the Chair, Secretary and Scrutineers (all as defined in the Meeting Order). Any other

person may be admitted to the Creditors' Meetings only by invitation of the Applicants or the Chair.

- (b) If this Plan is approved by both the Required Majorities, then this Plan shall be deemed to have been agreed to, accepted and approved by the Affected Creditors and shall be binding upon all Affected Creditors immediately upon the delivery of the Monitor's Certificate in accordance with section 9.6 hereof.

3.6 Payments to Employees

If not otherwise paid pursuant to this Plan the Applicants and/or Newco, as applicable, will pay in full all employee-related payments required by subsection 6(5) of the CCAA, provided that this Section 3.6 shall not require payment of any employee-related amounts in advance of the normal payroll cycle applicable to employees.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving Disputed Voting Claims shall be as set forth in the Claims Procedure Order, the Meeting Order, this Plan and the CCAA. The Monitor and the Applicants shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Claims Procedure Order, the Meeting Order and this Plan, if required, and to ascertain the result of any vote on this Plan.

3.8 Determination of Beneficial Noteholders' Proven Affected Secured Claims

For the purposes of rights, entitlements and distributions under this Plan, the amount of a Beneficial Noteholders' Proven Affected Secured Claim shall be determined on the basis of the principal amount of Secured Notes held by it as at the Distribution Record Date as set forth on the Master List provided by Participant Holders following the Registration Election Deadline in accordance with the Meeting Order.

ARTICLE 4 TREATMENT OF CLAIMS

4.1 Treatment of Affected Secured Claims

- (a) On the Implementation Date, in accordance with this Plan and in accordance with the steps and in the sequence set forth in Section 7.2, each of Baiyin and Gramercy, as Proven Affected Secured Creditors, shall be entitled to receive a distribution of its Affected Secured Pro Rata Share of the Class A Common Shares which shall, and shall be deemed to, be received in full and final settlement of its Affected Secured Claims.
- (b) On the Implementation Date, in accordance with this Plan and in accordance with the steps and in the sequence set forth in Section 7.2, each Proven Affected Secured Creditor other than Baiyin and Gramercy, shall be entitled to receive a distribution of its Affected Secured Pro Rata Share of the Class B Common Shares which shall, and shall be deemed to, be received in full and final settlement of its Affected Secured Claims.
- (c) Following completion of the steps set forth in Sections 4.1(a) and (b), the proportion that the number of outstanding Class A Common Shares and outstanding Class B Common Shares shall bear to the total number of Common Shares of both classes outstanding shall be equal, in each case, to the

proportion that the aggregate amount of the Affected Secured Claims of Baiyin and Gramercy, on the one hand, and the aggregate amount of the Affected Secured Claims of all other Proven Affected Secured Creditors on the other hand bear to the aggregate amount of the Affected Secured Claims of all Proven Affected Secured Creditors.

- (d) New Equity received by an Affected Creditor shall be applied first to the payment of principal of its Affected Secured Claims and if such principal is fully repaid, shall be applied to the payment of accrued interest owing on such Affected Secured Claims.
- (e) On the Implementation Date, either (i) each Proven Affected Secured Creditor shall be deemed to be a party to the Shareholders Agreement, each in its capacity as a holder of New Equity, or (ii) the constating documents of Newco shall contain the Newco Share Terms which shall apply to each Proven Affected Secured Creditor in its capacity as a holder of New Equity, as applicable.

4.2 Treatment of Affected Banro Unsecured Claims

- (a) On the Implementation Date, in accordance with this Plan and in accordance with the steps and in the sequence set forth in Section 7.2, each Proven Affected Banro Unsecured Creditor shall be entitled to receive a pro rata distribution from the Affected Banro Unsecured Pool.
- (b) All amounts received by an Affected Creditor from the Affected Banro Unsecured Pool shall be applied first to the payment of principal of its Proven Affected Banro Unsecured Claims and if such principal is fully repaid, shall be applied to the payment of accrued interest owing on such Proven Affected Banro Unsecured Claims.
- (c) Notwithstanding section 4.2(a) above, each Proven Affected Banro Unsecured Creditor with respect to its Affected Banro Unsecured Deficiency Claim waives their right under this Plan to receive any distribution from the Affected Banro Unsecured Pool.

4.3 Priority Claims

- (a) In accordance with the Sanction Order, the CCAA and with the steps and in the sequence set forth herein, Section 7.2 and 7.3, the Employee Priority Claims and the Crown Priority Claims, if any, shall be paid from the Priority Claim Reserve Account.
- (b) Subject to the Effective Time occurring: (i) all Crown Priority Claims that were outstanding as at the Filing Date shall be paid in full by the Monitor on behalf of the Applicants, from the Priority Claim Reserve within six months after the Sanction Order, as required by subsection 6(3) of the CCAA; and (ii) all Employee Priority Claims to the extent unpaid prior to the Implementation Date shall be paid by the Monitor, on behalf of the Applicants, from the Priority Claim Reserve immediately after the Sanction Order as required by subsection 6(5) of the CCAA.

4.4 Equity Claims

On the Implementation Date, in accordance with this Plan and in accordance with the steps and in the sequence set forth in Section 7.2, all Equity Claims other than Intercompany Claims that are Equity Claims (the “**Affected Equity Claims**”), and all Equity Interests, if any, shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred. Holders of Affected Equity Claims or Equity Interests shall not receive any consideration or distributions under this Plan and shall not be entitled to vote on this Plan at the Creditors’ Meetings and existing shares of Banro shall be cancelled and shall be deemed to be cancelled without compensation.

4.5 Excluded Claims

Excluded Creditors in respect to and to the extent of their Excluded Claims shall not receive any consideration under this Plan in respect of their Excluded Claims. Excluded Creditors shall not be entitled to vote on this Plan at the Creditors’ Meetings in respect of their Excluded Claims.

4.6 Disputed Claims

Any Affected Banro Unsecured Creditor with a Disputed Affected Banro Unsecured Claim shall not be entitled to receive any distribution hereunder with respect to such Disputed Affected Banro Unsecured Claim unless and until such Disputed Affected Banro Unsecured Claim becomes a Proven Claim in accordance with the Claims Procedure Order. Distributions pursuant to and in accordance with Section 4.2 shall be paid or distributed in respect of any Disputed Affected Banro Unsecured Claim that is finally determined to be a Proven Claim in accordance with the Claims Procedure Order and Article 6 hereof.

4.7 Director/Officer Claims

All Director/Officer Claims that are not (i) Section 5.1(2) Director/Officer Claims, or (ii) judged by the express terms of a judgment rendered on a final determination on the merits to have resulted from criminal, fraudulent or other wilful misconduct on the part of the Director or Officer, shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Implementation Date. For greater certainty, any Claim of a Director or Officer for indemnification from any of the Applicants in respect of any Director/Officer Claim that is not covered by the Directors’ Charge shall be cancelled for no consideration.

4.8 Extinguishment of Claims

On the Implementation Date, in accordance with its terms and in the sequence set forth in Section 7.2 herein and in accordance with the provisions of the Sanction Order, the treatment of Affected Claims (including Proven Claims and Disputed Affected Banro Unsecured Claims) and all Released Claims, in each case as set forth herein, shall be final and binding on the Applicants, all Affected Creditors (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and any Person holding a Released Claim. All Affected Claims and all Released Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Released Parties shall thereupon have no further obligation whatsoever in respect of the Affected Claims and the Released Claims, as applicable; provided that nothing herein releases any of the Applicants or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Plan and provided further that such discharge and release of the Applicants shall be without

prejudice to the right of an Affected Creditor in respect of a Disputed Affected Banro Unsecured Claim to prove such Disputed Affected Banro Unsecured Claim in accordance with the Claims Procedure Order so that such Disputed Affected Banro Unsecured Claim may become a Proven Claim entitled to receive consideration under Sections 4.1 and 4.2 hereof.

4.9 Set-Off

The law of set-off applies to all Claims.

ARTICLE 5 CREATION OF POOL AND RESERVES

5.1 Creation of the Affected Banro Unsecured Pool

- (a) Three Business Days prior to the Implementation Date, Banro shall deliver to the Monitor by way of wire transfer (in accordance with the wire transfer instructions provided by the Monitor at least five (5) Business Days prior to the Implementation Date), the Cash in the amount necessary to establish the Affected Banro Unsecured Pool.
- (b) The Monitor shall hold the Affected Banro Unsecured Pool and shall distribute such Cash in the Affected Banro Unsecured Pool to Proven Affected Banro Unsecured Creditors holding Listed Claims in accordance with Article 6 hereof.

5.2 Creation of the Administrative Reserve

- (a) Three Business Days prior to the Implementation Date, Banro shall deliver to the Monitor by way of wire transfer (in accordance with the wire transfer instructions provided by the Monitor at least five (5) Business Days prior to the Implementation Date), Cash in the amount necessary to establish the Administrative Reserve.
- (b) The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with this Plan and shall distribute any remaining balance in the Administrative Reserve Account to the Applicants, in accordance with section 7.3 of the Plan.

5.3 Creation of the Priority Claim Reserve

- (a) Three Business Days prior to the Implementation Date, Banro shall deliver to the Monitor by way of wire transfer (in accordance with the wire transfer instructions provided by the Monitor at least five (5) Business Days prior to the Implementation Date), Cash in the amount necessary to establish the Priority Claim Reserve.
- (b) The Monitor shall hold the Priority Claim Reserve in the Priority Claim Reserve Account for the purpose of paying the Priority Claims in accordance with this Plan and shall distribute any remaining balance in the Priority Claim Reserve Account to the Applicants, in accordance with section 7.3 of this Plan.

ARTICLE 6
PROVISIONS REGARDING DISTRIBUTIONS AND DISBURSEMENTS

6.1 Distributions and Disbursements Generally

- (a) All distributions and disbursements to be effected pursuant to the Plan shall be made pursuant to this Article 6 and shall occur in the manner set out below under the supervision of the Monitor.
- (b) All distributions and disbursements to be effected pursuant to this Plan on account of Affected Secured Claims shall be made to the Affected Secured Creditors holding such Proven Affected Secured Claims as at the Distribution Record Date and the Applicants, the Monitor and their agents shall have no obligation to deal with a transferee or assignee of such Proven Affected Secured Claim after the Distribution Record Date in respect of any such matter. Affected Secured Creditors who assign their Affected Secured Claims after the Distribution Record Date shall be wholly responsible for ensuring that plan distributions intended to be included within such assignments are in fact delivered to the assignee and neither the Applicants, the Monitor, CDS, nor the Canadian Trustee, as applicable, shall have any liability in connection therewith.
- (c) Notwithstanding any other provisions of the Plan, no distributions or transfers of Cash shall be made by the Monitor with respect to all or any portion of a Disputed Affected Banro Unsecured Claim unless and only to the extent that such Disputed Affected Banro Unsecured Claim has become a Proven Claim.

6.2 Issuance and Delivery of New Equity

- (a) The delivery of the New Equity to be distributed under this Plan will be made either (i) by delivering share certificates representing the New Equity in the name of the applicable recipient, or (ii) through the facilities of a direct registration system operated by the Transfer Agent by providing direct registration system advices or confirmations in the name of the applicable recipient and registered electronically in Newco's records which will be maintained by the Transfer Agent.
- (b) On the Implementation Date or as soon as reasonably practicable thereafter, Newco, on account of Proven Affected Secured Creditor Claims, shall issue (or reserve for issuance, as applicable, in accordance with section 6.2(c)) the New Equity to the Transfer Agent to be held for the benefit of (i) Proven Affected Secured Creditors that are not Beneficial Noteholders, in the name of and to the address as recorded in the books and records of the Applicants or as otherwise communicated to the Applicants not less than three Business Days prior to the anticipated Implementation Date, (ii) Beneficial Noteholders that have validly provided Registration Instructions to their Participant Holders in accordance with the Meeting Order prior to the Distribution Record Date, in accordance with their Registration Instructions provided by such Beneficial Noteholders as recorded on the Master List, and (iii) Beneficial Noteholders that have not delivered Registration Instructions to their Participant Holders on or prior to the Distribution Record Date, in the name of such Beneficial Noteholder's Participant Holders in trust for such Beneficial Noteholders.

- (c) Notwithstanding Section 6.2(b), no Proven Affected Secured Creditor shall be entitled to the rights associated with the New Equity and all such New Equity shall be reserved for issuance on the books and records of Newco until such time as it has delivered its Newco Equityholder Information to the Transfer Agent and/or Newco, as applicable. In the event that a Proven Affected Secured Creditor fails to deliver its Newco Equityholder Information in accordance with this Section 6.2(c) on or before the date that is 6 months following the Implementation Date, Newco shall have no further obligation to issue or deliver, and shall have no further obligation to reserve on its books and records, any New Equity otherwise issuable to Proven Affected Secured Creditors (such equity, the “**Unissued New Equity**”) that have not delivered their Newco Equityholder Information accordance this Section 6.2(c) and all such Proven Affected Secured Creditors shall cease to have a claim to, or interest of any kind or nature against or in, the Applicants, Newco or the Unissued New Equity and the Transfer Agent shall delete such Unissued New Equity from the books and records of the Applicants as maintained by the Transfer Agent.
- (d) No fractional common shares of Newco shall be allocated or issued under this Plan. Any legal, equitable, contractual and any other rights or claims (whether actual or contingent, and whether or not previously asserted) of any Person with respect to fractional common shares of Newco issued pursuant to this Plan shall be rounded down to the nearest whole number without compensation therefor.

6.3 Distributions of Cash After Disputed Affected Banro Unsecured Claims Resolved

From and after the date of the resolution of all Disputed Affected Banro Unsecured Claims in accordance with the Claims Procedure Order (the “**Unsecured Creditor Distribution Date**”), the Monitor shall distribute to such Affected Banro Unsecured Creditor, Cash in an amount equal to its Affected Banro Unsecured Pro Rata Share, less any Withholding Obligations or statutory deductions required by Applicable Law;

6.4 Method of Payment

All distributions in Cash to Affected Banro Unsecured Creditors to be made by the Monitor under this Plan shall be made by cheque sent by prepaid ordinary mail to the address for such Affected Banro Unsecured Creditor as recorded in the books and records of the Applicants or as otherwise communicated to the Monitor not more than 3 Business Days following the granting of the Sanction Order by such Affected Banro Unsecured Creditor, or an assignee in respect of such Affected Banro Unsecured Creditor’s Proven Claim.

6.5 Undeliverable Distributions

- (a) If any distribution is returned as undeliverable or is not cashed (in each case, an “**Undeliverable Distribution**”), no further distributions to such Affected Creditor shall be made unless and until the Monitor is notified by such Affected Creditor of its current address or wire particulars, at which time all such distributions shall be made to such Affected Creditor without interest.
- (b) All claims for undeliverable or un-cashed distributions in respect of Proven Claims shall be made on or before the date that is 6 months after the Final Distribution Date, after which date the Proven Claims of such Affected Creditor or successor or assign of such Affected Creditor with respect to such unclaimed or un-cashed distributions shall be forever discharged and forever barred,

without any compensation therefor, notwithstanding any Applicable Law to the contrary, at which time any Cash held by the Monitor in relation to such undeliverable or unclaimed distribution shall be returned to Banro. Nothing in the Plan or Sanction Order shall require the Monitor or the Applicants to attempt to locate the holder of any Proven Claim or Excluded Claim.

- (c) If the certificates and/or direct registration advices or confirmations representing the New Equity issued and delivered pursuant to the instructions contained in a Share Receipt Instruction Form are returned as undeliverable, then any right or claim thereto shall, as of the first anniversary of the Implementation Date, cease to represent a right or claim of any kind or nature and the right of the holder to receive the New Equity shall terminate and be deemed to be surrendered and forfeited to Newco, for no consideration.

6.6 Tax Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering of or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (b) Notwithstanding any provisions of the Plan, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a **"Withholding Obligation"**) to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. For greater certainty, no distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and Banro such documentation prescribed by Applicable Law or otherwise reasonably required by the Monitor as will enable the Monitor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (d) All distributions made pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (e) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.
- (f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including Cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

ARTICLE 7 IMPLEMENTATION

7.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Plan involving corporate action of the Applicants will occur and be effective as of the Implementation Date, and will be authorized and approved under this Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, directors or officers of any of the Applicants. All necessary approvals to take actions shall be deemed to have been obtained from the Directors or the shareholders of the Applicants, as applicable, including resolution or special resolution with respect to any of the steps contemplated by this Plan shall be deemed to be effective.

7.2 Implementation Date Transactions

Commencing at the Effective Time, the following events or transactions will occur, or be deemed to have occurred and be taken and effected in five minute increments (unless otherwise indicated) and at the times set out in this section (or in such other manner or order or at such other time or times as the Applicants may determine in consultation with the Monitor and the Requisite Consenting Parties), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

- (a) Banro shall transfer and shall be deemed to transfer all issued and outstanding Equity Interests of Namoya (Barbados) Limited and Twangiza Barbados Limited owned by Banro to BGB and in consideration therefor BGB shall issue one common share in the capital of BGB to Banro;
- (b) all of BGB's issued and outstanding Equity Interests held by Banro shall be cancelled without any return of capital and BGB shall simultaneously issue to Newco the New BGB Common Shares pursuant to the Newco/BGB Subscription Agreement;
- (c) Newco shall issue the Stream Warrants as consideration for the Stream Amendments;
- (d) all of the issued and outstanding Equity Interests in Banro shall be cancelled and extinguished for no consideration and without any return of capital and Banro shall issue 100 common shares to BGB;
- (e) the Administration Charge and the Directors' Charge shall continue and shall attach solely against the Administrative Reserve from and after the Implementation Date pursuant to and in accordance with the Sanction Order and shall be deemed to be released as against the other Property (as defined in the Initial Order) of the Applicants pursuant to and in accordance with the Sanction Order;
- (f) concurrently:
 - (i) Newco shall redeem and be deemed to redeem all of its Equity Interests outstanding immediately prior to the Effective Time;

- (ii) the Affected Secured Creditors shall be entitled to the treatment set out in section 4.1 hereof in full and final settlement of their Affected Secured Claims, and the Affected Secured Claims shall, and shall be deemed to be, irrevocably and finally extinguished and such Affected Secured Creditors shall have no further right, title or interest in and to its Affected Secured Claim; and
- (iii) either (A) each Proven Affected Secured Creditor shall be deemed to be a party to the Shareholders Agreement, each in its capacity as a holder of New Equity, or (B) the constating documents of Newco shall contain the Newco Share Terms which shall apply to each Proven Affected Secured Creditor in its capacity as a holder of New Equity, as applicable;
- (g) the Affected Banro Unsecured Creditors shall be entitled to the treatment set out in section 4.2 hereof in full and final settlement of their Affected Banro Unsecured Claims, and the Affected Banro Unsecured Claims shall, and shall be deemed to be, irrevocably and finally extinguished and such Affected Banro Unsecured Creditors shall have no further right, title or interest in and to its Affected Banro Unsecured Claim other than their right to distribution under this Plan.
- (h) the Intercompany Claims shall be treated in the manner so elected by the Applicants with consent of the Requisite Consenting Parties;
- (i) simultaneously:
 - (i) the Interim Facility shall be replaced by the New Secured Facility pursuant to the New Secured Facility Credit Agreement, which New Secured Facility Credit Agreement shall be deemed to constitute Priority Lien Debt, as defined under the Amended and Restated Collateral Trust Agreement;
 - (ii) the DIP Lender's Charge shall be and shall be deemed to be discharged from the assets of the Applicants; and
 - (iii) Newco shall issue the New Secured Facility Warrants to the DIP Lender;
- (j) the directors of Banro immediately prior to the Effective Time shall be deemed to have resigned and the New Banro Board shall be deemed to have been appointed; and
- (k) the releases and injunctions referred to in accordance with Article 8 hereof shall become effective.

7.3 Post-Implementation Date Transactions

- (a) The Monitor, on behalf of the Applicants, shall pay (i) the Priority Claims pursuant to and in accordance with section 4.3 from the Priority Claim Reserve Account; (ii) any other Administrative Reserve Costs from the Administrative Reserve Account; and (iii) distributions from the Affected Banro Unsecured Pool in accordance with Article 6 hereof.
- (b) The Monitor shall, as and when it determines appropriate, transfer any unused portion of the Administrative Reserve Account to the Applicants.

ARTICLE 8 RELEASES

8.1 Plan Releases

- (a) At the Effective Time, each of the Banro Parties and their respective subsidiaries and affiliates and each of their respective shareholders, partners, Directors, Officers, current and former employees, financial advisors, legal counsel and agents, (being referred to collectively as the “**Banro Released Parties**”) shall be released and discharged from any and all demands, claims, liabilities, causes of action, debts, accounts, covenants, damages, executions and other recoveries 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 Implementation Date, applications, counterclaims, suits, sums of money, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor, Affected Creditor, or other Person may be entitled to assert, including any and all Claims in respect of the payment and receipt of proceeds, statutory liabilities of the Directors, Officers and employees of the Banro Released Parties and any alleged fiduciary or other duty (whether such employees are acting as a Director, Officer or employee), including any and all Claims that may be made against the Banro Released Parties where by law such Banro Released Parties may be liable in their capacity as Directors or Officers of the Applicants, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Effective Time arising out of or in connection with the Affected Claims, the Support Agreement, the Recapitalization, the Plan, the CCAA Proceedings, or any Director/Officer Claim any Claim that has been barred or extinguished by the Claims Procedure Order, and all such Claims shall be forever waived and released (other than the right to enforce the Applicants’ obligations under the Plan, Support Agreement or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge (i) the Applicants from any Excluded Claims, (ii) the Directors and Officers to the extent that any claims against the Directors and Officers cannot be released under the CCAA based on statutory limitations set out in the CCAA (such as claims under section 5.1(2) of the CCAA) or (iii) any Banro Released Party if such Banro Party Released Party is judged by the express terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct. Notwithstanding the foregoing, all Intercompany Claims owing by any of the Banro Parties to any of the other Banro Parties shall not be released unless the Applicants, with the consent of the Requisite Consenting Parties, elect to extinguish such obligations.
- (b) At the Effective Time, the Monitor, the Requisite Consenting Parties and their respective subsidiaries and affiliates and each of their respective shareholders, partners, officers, directors, current and former employees, financial advisors, legal counsel and agents (being referred to individually as a “**Third Party Released Party**”) are hereby released and discharged from any and all demands, claims, liabilities, causes of action, debts, accounts, covenants,

damages, executions and other recoveries 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 Implementation Date, actions, applications, counterclaims, suits, sums of money, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Implementation Date in any way relating to, arising out of or in connection with the Applicants, the Plan, the CCAA Proceedings and any Claims, including any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Monitor's or the Requisite Consenting Parties' obligations under the Plan, the Support Agreement or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge any Third Party Released Party if such Third Party Released Party is judged by the express terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct.

- (c) The Sanction Order will enjoin the prosecution, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged, compromised or terminated pursuant to the Plan.
- (d) Nothing in the Plan shall be interpreted as restricting the application of Section 21 of the CCAA.

8.2 Timing of Releases and Injunctions

All releases and injunctions set forth in this Article 8 shall become effective on the Implementation Date.

8.3 Knowledge of Claims

Each Person to which Section 8.1 hereof applies shall be deemed to have granted the releases set forth in Section 8.1 notwithstanding that it may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such party expressly waives any and all rights that it may have under any applicable law which would limit the effect of such releases to those Claims or causes of action known or suspected to exist at the time of the granting of the release.

ARTICLE 9 COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION

9.1 Application for Sanction Order

If this Plan is approved by the Required Majorities, the Applicants shall apply for the Sanction Order on the date set out in the Meeting Order or such later date as the Court may set.

9.2 Sanction Order

The Sanction Order shall be substantially in the form attached (without schedules) as Schedule "B" hereto, with such amendments as the Monitor, the Applicants and the Requisite Consenting Parties may agree.

9.3 Conditions to the Implementation Date

The implementation of this Plan shall be conditional upon the fulfillment, satisfaction or waiver (to the extent permitted by Section 9.4 hereof) of the following conditions:

- (a) the Plan shall have been approved by the Required Majorities;
- (b) the Court shall have granted the Sanction Order the operation and effect of which shall not have been stayed, reversed or amended and in the event of an appeal or application for leave to appeal, final determination shall have been made by the appellate court;
- (c) the Administrative Reserve shall have been funded by the Applicants;
- (d) the Priority Claim Reserve shall have been funded by the Applicants;
- (e) the conditions precedent to the implementation of the Recapitalization set forth in Article 8 of the Support Agreement shall have been satisfied or waived;
- (f) the Priority Lien Debt, the Gold Streams, the Shareholder Agreement and the Interim Facility and all related agreements and other documents necessary in connection with the amendments thereto contemplated by the Recapitalization and the implementation of this Plan, shall be in form and substance acceptable to the Applicants, the Monitor and the Requisite Consenting Parties and shall have become effective, subject only to the implementation of the Plan;
- (g) the Implementation Date shall have occurred no later than the Outside Date; and
- (h) the constating documents of Newco and the composition of the board of Newco effective on and after the Implementation Date shall be consistent with the Restructuring Term Sheet and otherwise acceptable to the Applicants and the Requisite Consenting Parties, acting reasonably.

9.4 Waiver of Conditions

The Applicants, in consultation with the Monitor, may at any time and from time to time waive the fulfillment or satisfaction, in whole or in part, of the conditions set out herein, to the extent and on such terms as such parties may agree to, provided however that the conditions set out in sections 9.3(e), (f), (g) and (h) may only be waived with the consent of the Requisite Consenting Parties.

9.5 Implementation Provisions

If the conditions contained in Section 9.3 are not satisfied or waived (to the extent permitted under Section 9.4) by the Outside Date, unless the Applicants, in consultation with the Monitor, and the Requisite Consenting Parties, agree in writing to extend such period, this Plan and the Sanction Order shall cease to have any further force or effect and will not be binding on any Person.

9.6 Monitor's Certificate of Plan Implementation

Upon written notice from the Applicants and the Requisite Consenting Parties (or counsel on their behalf) to the Monitor that the conditions to Plan implementation set out in Section 9.3, have been satisfied or waived, the Monitor shall, as soon as possible following receipt of such written notice, deliver to the Applicants and file with the Court, a certificate (the "**Monitor's Certificate**") which states that all conditions precedent set out in Section 9.3 have been satisfied or waived and that Implementation Date (which shall be set out on the certificate) has occurred.

ARTICLE 10 GENERAL

10.1 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

10.2 Claims Bar Date

Nothing in this Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

10.3 Non-Consummation

If the Implementation Date does not occur on or before the Outside Date (as the same may be extended in accordance with the terms hereof and of the Support Agreement), or if this Plan is otherwise withdrawn in accordance with its terms: (a) this Plan shall be null and void in all respects, and (b) nothing contained in this Plan, and no acts 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 Banro Parties, their respective successors or any other Person; (ii) prejudice in any manner the rights of the Banro Parties, their respective successors or any other Person in any further proceedings involving the Banro Parties or their respective successors; or (iii) constitute an admission of any sort by the Banro Parties, their respective successors or any other Person.

10.4 Modification of Plan

- (a) The Applicants 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 (A) filed with the Court and, if made following the Creditors' Meetings, approved by the Court, and (B) approved by the Monitor and the Requisite Consenting Parties, and communicated to the Affected Creditors in the manner required by the Court (if so required):
 - (i) if made prior to or at the Creditors' Meetings: (A) the Chair (as defined in the Meeting Order) shall communicate the details of any such amendment, restatement, modification and/or supplement to Affected Creditors and other Persons present at the Creditors' Meeting prior to any vote being taken at the Creditors' Meeting; (B) the Applicants 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 (C) 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;

- (ii) if made following the Creditors' Meetings: (A) the Applicants 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; (B) the Monitor shall post an electronic copy of such amendment, restatement, modification and/or supplement on the Monitor's Website; and (C) 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 proposed by the Applicants with the consent of the Monitor and the Requisite Consenting Parties at any time prior to or at the Creditors' Meetings, with or without any prior notice or communication (other than as may be required under the Initial Order), and if so proposed and affected at the Creditors' Meetings, shall become part of this Plan for all purposes.
- (c) Any amendment, modification or supplement to this Plan may be made following the Creditors' Meetings by the Applicants, 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 materially adverse to the financial or economic interests of any of the Consenting Parties or any Affected Creditors.

10.5 Severability of Plan Provisions

If, prior to the Effective Time, any term or provision of this Plan is held by the Court to be invalid, void or unenforceable, at the request of the Applicants, the Court shall have the power to either (a) sever such term or provision from the balance of this Plan and provide the Applicants with the option to proceed with the implementation of the balance of this Plan as of and with effect from the Effective Time, or (b) 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, and provided that this Plan is implemented, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

10.6 Preservation of Rights of Action

Except as otherwise provided in this Plan or in the Sanction Order, or in any contract, instrument, release, indenture or other agreement entered into in connection with this Plan, following the Implementation Date, the Applicants will retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all claims, rights or causes of action, suits and proceedings, whether in law or in equity, whether known or unknown, that the Applicants may hold against any Person or entity without further approval of the Court.

10.7 Responsibilities of Monitor

The Monitor is acting and will continue to act in all respects in its capacity as Monitor in the CCAA Proceedings with respect to the Applicants and not in its personal or corporate capacity, and shall have no liability in connection with the implementation of this Plan, including without limitation with respect to making distributions pursuant to and in accordance with the Plan, the establishment and administration of the Affected Banro Unsecured Pool, the Administrative Reserve, the Priority Claim Reserve and the Disputed Affected Banro Unsecured Claims Reserve (and in each case, any adjustments with respect to same) or the timing or sequence of the plan transaction steps, in each case save and except for gross negligence and wilful misconduct. The Monitor shall not be responsible or liable whatsoever for any obligations of the Applicants. The Monitor shall at all times have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Meeting Order, and any other Order made in the CCAA Proceedings.

10.8 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by a Person in writing or unless its Claims overlap or are otherwise duplicative.

10.9 Notices

Any notice or other communication to be delivered hereunder must be in writing and refer to this Plan and may, as hereinafter provided, be made or given by personal delivery, ordinary mail, email or by facsimile addressed to each of the respective Parties as follows:

- (a) Banro Corporation
1 First Canadian Place
100 King Street West, Suite 7005
Toronto, ON M5X 1E3

Attention: Rory Taylor
Email: rtaylor@banro.com

with a required copy (which shall not be deemed notice) to:

Cassels Brock & Blackwell LLP
40 King Street West
2100 Scotia Plaza
Toronto, Ontario M5H 3C2

Attention: Ryan Jacobs/ Jane O. Dietrich
Email: rjacobs@casselsbrock.com/
jdietrich@casselsbrock.com

- (b) The Monitor
FTI Consulting Canada Inc.
79 Wellington Street West
Toronto Dominion Centre, Suite 2010, P.O. Box 104
Toronto, ON M5K 1G8

Attention: Nigel Meakin/ Toni Vanderlaan
Email: nigel.meakin@fticonsulting.com/
toni.vanderlaan@fticonsulting.com

And to:

McMillan LLP
181 Bay Street, Suite 4400
Toronto, ON M5J 2T3
Attention: Wael Rostom/ Caitlin Fell
Email: wael.rostom@mcmillan.ca/
caitlin.fell@mcmillan.ca

(c) If to Baiyin, at:

Baiyin Nonferrous Group Company, Limited
Suite 1701, Orient Plaza Block E2
1 Chang An Avenue
Beijing, China
100738

Attention: George Lu
Email: george@baiyinbj.com

With a required copy (which shall not be deemed notice) to:

McCarthy Tétrault LLP
Suite 2400
745 Thurlow Street
Vancouver, BC V6E 0C5
Attention: Sean F. Collins/ Roger Taplin
Email: scollins@mccarthy.ca/ rtaplin@mccarthy.ca

(d) If to Gramercy, at:

Gramercy Funds Management LLC
20 Dayton Avenue
Greenwich, CT 06830 USA

Attention: Robert Rauch/ Brian Nunes/ Operations
Email: rrauch@gramercy.com/
bnunes@gramercy.com/
operations@gramercy.com

With a required copy (which shall not be deemed notice) to:

Goodmans LLP
Suite 3400
333 Bay Street
Bay Adelaide Centre

Toronto, ON M5H 2S7

Attention: Kari Mackay/ Brendan O'Neill
Email: kmackay@goodmans.ca/
boneill@goodmans.ca

or to such other address as any Party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or emailing, provided that such day in either event is a Business Day and the communication is so delivered, faxed or emailed before 5:00 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

10.10 Paramountcy

From and after the Effective Time, any conflict between:

- (a) this Plan; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, 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 Person and the Applicants and/or the Non-Applicant Subsidiaries as at the Implementation Date,

will be deemed to be governed by the terms, conditions and provisions of this Plan and the Sanction Order, which shall take precedence and priority.

10.11 Further Assurances

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan without any further act or formality, each of the Persons named or referred to in, or subject to, this Plan will 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 any of them to carry out the full intent and meaning of this Plan and to give effect to the transactions contemplated herein.

Dated this 26th day of March, 2018.

SCHEDULE "A" INTERPRETATION

Definitions

"Administration Charge" has the meaning given to that term in the Initial Order;

"Administrative Reserve" means a Cash reserve, in an amount to be agreed to by the Monitor, the Applicants and the Requisite Consenting Parties at least three (3) Business Days prior to the Implementation Date, or failing agreement, the amount ordered by the Court, to be deposited by the Applicants into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs;

"Administrative Reserve Account" means a segregated interest-bearing trust account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means costs incurred and payments to be made on or after the Implementation Date (including costs incurred prior to the Implementation Date which remain outstanding as of the Implementation Date) in respect of: (a) the Monitor's fees and disbursements (including of its legal counsel and other consultants and advisors) in connection with the performance of its duties under the Plan and in the CCAA Proceedings, including without limitation all costs associated with resolving Disputed Affected Banro Unsecured Claims; (b) the Applicants' legal fees and disbursements in connection with the Plan and the CCAA Proceedings including without limitation all costs associated with resolving Disputed Affected Banro Unsecured Claims; (c) amounts secured by the Directors' Charge; and (d) any other reasonable amounts in respect of any other determinable contingency as the Applicants, with the consent of the Monitor and the Requisite Consenting Parties may determine in connection with the Applicants or the CCAA Proceedings;

"Affected Banro Unsecured Claim" means (i) the Listed Claims; and (ii) Affected Banro Unsecured Deficiency Claims;

"Affected Banro Unsecured Class" means the class of creditors holding Affected Banro Unsecured Claims;

"Affected Banro Unsecured Creditor" means the holder of an Affected Banro Unsecured Claim in respect of and to the extent of such Affected Banro Unsecured Claim;

"Affected Banro Unsecured Deficiency Claim" means an unsecured Claim equal to 25% of the amount of the Claim under each of: (i) the Proven Secured Notes Claim; (ii) the Proven Doré Loan Claim; and (iii) the Proven Namoya Forward II Claim;

"Affected Banro Unsecured Pool" means Cash in the amount of \$10,000.00;

"Affected Banro Unsecured Pro Rata Share" means the proportionate share of the Listed Claim of a Proven Affected Banro Unsecured Creditor to the total of all Listed Claims of Proven Affected Banro Unsecured Creditors after final determination of all Disputed Affected Banro Unsecured Claims in accordance with the Claims Procedure Order;

"Affected Banro Unsecured Required Majority" means a majority in number of Affected Banro Unsecured Creditors representing at least two thirds in value of the Voting Claims of

Affected Banro Unsecured Creditors who actually vote (in person or by Proxy) at the Creditors' Meeting;

"Affected Claims" means all Claims against any of the Applicants that are not Excluded Claims;

"Affected Creditor" means the holder of an Affected Claim in respect of and to the extent of such Affected Claim;

"Affected Equity Claims" has the meaning ascribed to that term in section 4.4;

"Affected Secured Claim" means Claims under (i) the Secured Notes in the amount equal to 75% of the Proven Secured Notes Claim; (ii) the Doré Loan in an amount equal to 75% of the Proven Doré Loan Claim; and (iii) the Namoya Forward II Agreement in an amount equal to 75% of the Namoya Forward II Claim;

"Affected Secured Class" means the class of creditors holding Affected Secured Claims;

"Affected Secured Creditor" means the holder of an Affected Secured Claim;

"Affected Secured Pro Rata Share" means, as to: (a) each of Baiyin and Gramercy in their capacity as Affected Secured Creditors, the proportionate share of Proven Affected Secured Claims held by it on the Distribution Record Date of all Proven Affected Secured Claims held by Baiyin and Gramercy together on the Distribution Record Date; and (b) in respect of any other Affected Secured Creditor, the proportionate share of Proven Affected Secured Claims held by it on the Distribution Record Date of all Proven Affected Secured Claims held by all Affected Secured Creditors other than Baiyin and Gramercy, on the Distribution Record Date;

"Affected Secured Required Majority" means a majority in number of Affected Secured Creditors representing at least two thirds in value of the Voting Claims of Affected Secured Creditors who actually vote (in person or by Proxy) at the Creditors' Meeting;

"Amended and Restated Collateral Trust Agreement" means the Amended and Restated Collateral Trust Agreement, dated as of April 19, 2017, among Banro, the Trustees and Equity Financial Trust Company;

"Applicable Law" means, with respect to any Person, property, transaction, event or other matter, any Law relating or applicable to such Person, property, transaction, event or other matter, including, where appropriate, any interpretation of the Law (or any part thereof) by any Person, court or tribunal having jurisdiction over it, or charged with its administration or interpretation;

"Applicants" has the meaning ascribed to that term in the Recitals;

"Baiyin" has the meaning ascribed to that term in the Recitals;

"Banro" has the meaning ascribed to that term in the Recitals;

"Banro Barbados Entities" has the meaning ascribed to that term in the Recitals;

"Banro Parties" has the meaning ascribed to that term in the Recitals;

"Banro Released Parties" has the meaning ascribed to that term in section 8.1 hereof;

"Beneficial Noteholders" means a beneficial or entitlement holder of Secured Notes holding such Secured Notes in a securities account with a depository participant or other securities intermediary including, for greater certainty, such depository participant or other securities

intermediary only if and to the extent such depository participant or other securities intermediary holds the Secured Notes as a principal for its own account;

“**BGB**” means Banro Group (Barbados) Limited;

“**Business Day**” means any day, other than a Saturday, or a Sunday or a statutory or civic holiday, on which banks are generally open for business in Toronto, Ontario;

“**Canadian Trustee**” means TSX Trust Company;

“**Cash**” means cash, certificates of deposit, bank deposits, commercial paper, treasury bills and other cash equivalents;

“**Cassels**” means Cassels Brock & Blackwell LLP, legal counsel to the Applicants and the Banro Parties;

“**Cayman Law**” means the laws of the Cayman Islands, as in effect at the relevant time;

“**CCAA**” has the meaning ascribed to that term in the Recitals;

“**CCAA Proceedings**” means the proceedings commenced by the Applicants under the CCAA as contemplated by the Initial Order;

“**CDS**” means Canadian Depository for Securities or its nominee, which at the date of this Plan is CDS & Co. or any successor thereof;

“**Charges**” has the meaning ascribed to that term in the Initial Order;

“**Circular**” means Banro’s Information Circular to be distributed pursuant to the Meeting Order;

“**Claim**” means:

- (a) any right or claim, including any Tax Claim, of any Person that may be asserted or made in whole or in part against any of the Applicants, in any capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever of any of the Applicants, and any interest accrued thereon or costs payable in respect thereof, in existence on the Filing Date, or which is based on an event, fact, act or omission which occurred in whole or in part prior to the Filing Date, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty) or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any claim arising from or caused by the termination, disclaimer, rescission, assignment or repudiation by any of the Applicants of any contract, lease or other agreement, whether written or oral, any claim made or asserted against any of the

Applicants through any affiliate, subsidiary, associated or related person, or any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including any class action or proceeding before an administrative tribunal), cause or chose in action, whether existing at present or commenced in the future, and including any other claims that would have been claims provable in bankruptcy had any of the Applicants become bankrupt on the Filing Date, any Equity Claim, and any claim against any of the Applicants for indemnification by any Director or Officer in respect of a Director/Officer Claim; and

- (b) any right or claim of any Person against any of the Applicants in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any of the Applicants to such Person arising out of the restructuring, disclaimer, resiliation, termination or beach by any of the Applicants on or after the Filing Date of any contract, lease, warranty obligation or other agreement whether written or oral;

“Claims Procedure Order” means the Order made in these proceedings on February 1, 2018 entitled “Claims Procedure Order”;

“Claims Process” means the claims process to be conducted in accordance with the Claims Procedure Order;

“Claims Bar Date” has the meaning ascribed to that term in the Claims Procedure Order;

“Class A Common Share” means a Class A Common Share of Newco, each of which shall have the right to one vote at any meeting of the shareholders of Newco and shall also have attached to it such other rights and restrictions as are acceptable to the Applicants, the Monitor and the Requisite Consenting Parties, acting reasonably;

“Class B Common Share” means a Class B Common Share of Newco, which shall have attached to it such rights and restrictions as are acceptable to the Applicants, the Monitor and the Requisite Consenting Parties, acting reasonably, including, without limitation, economic rights that rank *pari passu* to those attached to the Class A Common Shares in respect of all dividends, distributions and other payments made in connection with such shares, *provided, however,* that (i) such shares shall be subject to the Newco Share Terms and (ii) such shares shall not have the right to vote at any meeting of the shareholders of Newco, except as required by Cayman Law, until the earlier of (A) the date which is 42 months following the Implementation Date; and (B) the date on which Newco completes an Exit Transaction, at which time each Class B Common Share shall have the right to one vote at any meeting of the shareholders of Newco (which voting rights shall be identical to those attached to the Class A Common Shares on a share-for-share basis);

“Consent Agreement” means the form of consent agreement attached as “Schedule “B” to the Support Agreement;

“Consenting Party” has the meaning ascribed to that term in the Recitals;

“Consenting Parties” has the meaning ascribed to that term in the Recitals;

“Court” has the meaning ascribed to that term in the Recitals;

“Creditor” means any Person having a Claim and includes without limitation the transferee or assignee of a Claim transferred and recognized as a Creditor in accordance with the Claims Procedure Order or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person;

“Creditors’ Meetings” means the meetings of the Affected Banro Unsecured Creditors and of the Affected Secured Creditors called for the purpose of considering and voting in respect of this Plan as described in the Meeting Order;

“Crown” means Her Majesty in right of Canada or a province of Canada;

“Crown Priority 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 ITA;
- (b) any provision of the Canada Pension Plan or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the ITA and provides for the collection of a contribution, as defined in the Canada Pension Plan, 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;
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, 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, where 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 ITA; 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;

“DIP Claims” means the claims secured by the DIP Lender’s Charge;

“DIP Lender” has the meaning ascribed to that term in the Initial Order;

“DIP Lender’s Charge” has the meaning ascribed to that term in the Initial Order;

“DIP Term Sheet” has the meaning ascribed to that term in the Initial Order;

“Director” means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Applicants;

“Director/Officer Claim” any right or Claim of any Person against one or more of the Directors or Officers howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, 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 for 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, including any right of contribution or indemnity, for which any Director or Officer is alleged to be by statute or otherwise by law liable to pay in his or her capacity as a Director or Officer (collectively, the “**Director/Officer Claims**”);

“**Director/Officer Indemnity Claim**” means any existing or future right of any Director or Officer of any of the Applicants against any of the Applicants that arose or arises as a result of any Person filing a Proof of Claim in respect of a Director/Officer Claim or otherwise, in respect of such Director or Officer of any of the Applicants for which such Director or Officer of any of the Applicants is entitled to be indemnified by any of the Applicants;

“**Directors’ Charge**” has the meaning ascribed to it in the Initial Order;

“**Disputed Affected Banro Unsecured Claim**” means an Affected Banro Unsecured Claim which has not been allowed, in whole or in part, as a Proven Affected Banro Unsecured Claim, which is validly disputed for distribution purposes in accordance with the Claims Procedure Order and which remains subject to adjudication for distribution purposes in accordance with the Claims Procedure Order;

“**Disputed Voting Claim**” means an Affected Claim or such portion thereof which has not been allowed as a Voting Claim, which is validly disputed for voting purposes in accordance with the Meeting Order or Claims Procedure Order and which remains subject to adjudication for voting purposes in accordance with the Meeting Order or Claims Procedure Order;

“**Distribution Record Date**” means the Implementation Date or such earlier date as the Applicants, the Monitor and the Requisite Consenting Parties may agree;

“**Doré Loan**” means a loan in the total principal amount of US\$10.0 million advanced pursuant to a letter agreement dated July 15, 2016 among Baiyin International Investment Ltd and Twangiza Mining S.A.;

“**DRC**” means Democratic Republic of the Congo;

“**Effective Time**” means 12:01 a.m. on the Implementation Date (or such other time as the Applicants, the Monitor and the Requisite Consenting Parties may agree);

“**Eligible Voting Creditors**” means Affected Banro Unsecured Creditors and Affected Secured Creditors, holding Voting Claims or Disputed Voting Claims;

“**Employee Priority Claims**” means, with respect to Listed Creditors who are or were employees of Banro, the following claims:

- (a) Claims of the Applicants’ employees and former employees equal to the amounts that such employees and former employees would have been qualified to receive under paragraph 136(l)(d) of the *Bankruptcy and Insolvency Act* (Canada) if the Applicants had become bankrupt on the Filing Date;
- (b) Claims of the Applicants’ employees and former employees 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 Applicants’ business during the same period; and

- (c) any amounts in excess of (a) and (b) above, that the Applicants' employees or former employees may have been entitled to receive pursuant to the *Wage Earner Protection Program Act* if Banro had become bankrupt on the Filing Date.

"Equity Claim" has the meaning set forth in section 2(1) of the CCAA;

"Equity Interest" has the meaning set forth in section 2(1) of the CCAA;

"Excise Tax Act" means the *Excise Tax Act*, R.S.C. 1985, c.E-15, as amended and any regulations thereunder;

"Excluded Claim"

- (a) any Claims secured by any of the Charges;
- (b) any Claims that cannot be compromised pursuant to subsection 19(2) of the CCAA;
- (c) all secured Claims against the Applicants other than the Affected Secured Claims;
- (d) all unsecured Claims against the Applicants other than the Affected Banro Unsecured Claims;
- (e) Intercompany Claims;
- (f) any Priority Claims;
- (g) any Post-Filing Claims; and
- (h) any Claim entitled to the benefit of any applicable insurance policy, excluding any such Claim or portion thereof that is directly recoverable as against an Applicant;

"Excluded Creditor" means a Person who has an Excluded Claim, but only in respect of and to the extent of such Excluded Claim;

"Exit Transaction" means a transaction pursuant to which Newco is sold in accordance with the Newco Share Terms to a third-party or parties in one or more transactions, either by way of the sale of a majority of the New Equity (whether by way of a sale or pursuant to a merger, combination, amalgamation, consolidation or similar transaction) or all or substantially all of the assets of Newco (including by way of liquidation or dissolution) or a public offering of its Equity Interests, in each case as more fully defined and described in the memorandum and articles of association of Newco;

"Filing Date" means December 22, 2017;

"FTI" means FTI Consulting Canada Inc.;

"Gold Streams" means collectively, the Namoya Streaming Agreement and the Twangiza Streaming Agreement;

"Gramercy" has the meaning ascribed to that term in the Recitals;

"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;

"Implementation Date" means the Business Day on which this Plan becomes effective, which shall be the day indicated on the certificate which the Monitor has filed with the Court contemplated in Section 9.6 hereof;

"Initial Order" has the meaning ascribed to that term in the Recitals;

"Intercompany Claim" means any Claim, including Equity Claims, by any of the Banro Parties against other Banro Parties;

"Interim Facility" means a senior secured super priority (debtor-in-possession) interim, non-revolving credit facility up to a maximum principal amount of US\$20,000,000 dated as of December 22, 2017;

"ITA" means the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.), as amended and any regulations thereunder;

"Law" means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law whether in Canada or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity;

"Listed Claims" means Claims of Listed Creditors as defined in the Claims Procedure Order;

"Meeting Order" means the Order of the Court dated February 1, 2018 in connection with the CCAA Proceedings;

"Monitor" means FTI, in its capacity as Court-appointed Monitor of the Applicants in the CCAA Proceedings;

"Monitor's Certificate" has the meaning ascribed to that term in section 9.6 hereof;

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

"Namoya Forward I Agreement" means the gold purchase and sale agreement dated April 19, 2017 among Namoya Gold Forward Holdings LLC, RFW Banro II Investments Limited, Banro and Namoya Mining S.A. (as amended or restated from time to time) in the secured amount of US\$42 million;

"Namoya Forward II Agreement" means the Purchase and Sale Agreement dated July 12, 2017 among Namoya Gold Forward Holdings II LLC, Baiyin International Investment Ltd, Banro and Namoya Mining S.A. (as amended from time to time) in the secured amount of US\$20.0 million;

"Namoya Streaming Agreement" means the Gold Purchase and Sale Agreement dated February 27, 2015 among Namoya GSA Holdings, Banro and Namoya Mining S. A. (as amended or restated from time to time);

“New Banro Board” means Banro’s board of directors appointed on the Implementation Date, which shall be comprised of individuals acceptable to the Applicants and the Requisite Consenting Parties;

“New BGB Common Shares” means the 100 common shares in the capital of BGB to be issued to Newco on the Implementation Date;

“Newco” means a company to be organized under the laws of the Cayman Islands;

“Newco/BGB Subscription Agreement” means a subscription agreement to be entered into by Newco and BGB on or prior to the Implementation Date in form and substance reasonably acceptable to the Applicants and the Requisite Consenting Parties pursuant to which BGB agrees to issue to Newco, and Newco agrees to subscribe for, the New BGB Common Shares on the Implementation Date;

“Newco Equityholder Information” means such information and documentation as the Transfer Agent and/or Newco may require from recipients of the New Equity in order to comply with any anti-money laundering, know your client, proceeds of crime and other Laws applicable to the Transfer Agent and Newco, respectively, which shall be communicated to the Proven Affected Secured Creditors by the Transfer Agent and/or Newco at the information provided in such Proven Affected Secured Creditors’ Registration Instructions.

“Newco Share Terms” means the rights and obligations of holders of New Equity as set forth in the Circular and/or as otherwise acceptable to the Applicants, the Monitor and the Requisite Consenting Parties, acting reasonably;

“New Equity” means, collectively, the Class A Common Shares and the Class B Common Shares of Newco which, immediately following the issuance thereof, will constitute all of the issued and outstanding shares of Newco;

“New Secured Facility” means a new secured loan facility, which facility shall have refinanced the obligations owing by the Banro Parties to the DIP Lender under the DIP Term Sheet;

“New Secured Facility Credit Agreement” means the secured term loan agreement to be entered into between the Banro Parties on the terms substantially as described in the Circular and/or as may otherwise be agreed by the Applicants and the DIP Lender, each acting reasonably, pursuant to which the New Secured Facility will be issued;

“New Secured Facility Warrants” means warrants for common shares in the capital of Newco to be issued to the DIP Lender on the Implementation Date as consideration for providing the New Secured Facility, on the terms and conditions as described in the Circular and/or as may otherwise be agreed by the Applicants and the DIP Lender, each acting reasonably;

“Noteholder” means a holder of the Secured Notes as determined in accordance with the Claims Procedure Order, including a Beneficial Noteholder;

“Non-Applicant Subsidiaries” means Banro Congo Mining S.A., Namoya Mining S.A., Lugushwa Mining S. A., Twangiza Mining S.A. and Kamituga Mining S.A.;

“Officer” means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the Applicants;

“Order” means any order of the Court in the CCAA Proceedings;

“Outside Date” means April 30, 2018 (or such other date as the Applicants, the Monitor and the Requisite Consenting Parties may agree);

“Participant Holder” has the meaning ascribed to that term in the Meeting Order;

“Person” is to be broadly interpreted and includes any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, Governmental Entity or any agency, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status;

“Plan” means this Consolidated Plan of Compromise and Reorganization and any amendments, restatements, modifications or supplements hereto made from time to time in accordance with the terms hereof or made at the direction of the Court in the Sanction Order or otherwise;

“Post-Filing Claim” means any claims against any of the Applicants that arose from the provision of authorized goods and services provided or otherwise incurred on or after the Filing Date in the ordinary course of business;

“Principal Claim” has the meaning ascribed to that term in section 3.4 hereof;

“Priority Claim” means a Crown Priority Claim or an Employee Priority Claim;

“Priority Claim Reserve” means a Cash reserve, in equal to the amount of the Priority Claims, to be deposited by the Applicants into the Priority Claim Reserve Account for the purpose of paying the Priority Claims;

“Priority Claim Reserve Account” means a segregated interest-bearing trust account established by the Monitor to hold the Priority Claim Reserve;

“Priority Lien Debt” means (i) the Twangiza Forward I Agreement; (ii) the Twangiza Forward II Agreement; and (iii) the Namoya Forward I Agreement;

“Proof of Claim” has the meaning ascribed to such term in the Claims Procedure Order;

“Proven Affected Banro Unsecured Claim” means the amount of the Affected Banro Unsecured Claim of an Affected Banro Unsecured Creditor as finally accepted and determined for distribution purposes in accordance with the Claims Procedure Order and the CCAA;

“Proven Affected Banro Unsecured Creditor” means a holder of a Proven Affected Banro Unsecured Claim;

“Proven Affected Secured Claim” means the amount of an Affected Secured Claim as finally accepted and determined for distribution purposes in accordance with the Claims Procedure Order and the CCAA;

“Proven Affected Secured Creditor” means a holder of a Proven Affected Secured Claim as at the Distribution Record Date;

“Proven Claim” means a Proven Affected Banro Unsecured Claim or a Proven Affected Secured Claim, as applicable;

“Proven Doré Loan Claim” has the meaning ascribed to that term in the Meeting Order;

“Proven Namoya Forward II Claim” has the meaning ascribed to that term in the Meeting Order;

“Proven Secured Notes Claim” has the meaning ascribed to that term in the Meeting Order;

“Recapitalization” means a transaction on the terms set forth in the Restructuring Term Sheet;

“Registered Holder” means in respect of the Secured Notes as recorded on the books and records of the Canadian Trustee;

“Registration Election Deadline” has the meaning ascribed to that term in the Meeting Order;

“Registration Instructions” means the instructions provided by Beneficial Noteholder to its Participant Holder for the registration and issuance of its New Equity submitted in accordance with the VIEF and the Meeting Order;

“Released Claims” means the matters that are subject to release and discharge pursuant to section 8.1 hereof;

“Released Party” means each of the Banro Released Parties and the Third Party Released Parties;

“Required Majorities” means the Affected Secured Required Majority and the Affected Banro Unsecured Required Majority;

“Requisite Consenting Parties” means, collectively, Gramercy and Baiyin;

“Requisite Consenting Party Advisors” means, all of the professional advisors retained by Gramercy and Baiyin, respectively;

“Restructuring Term Sheet” means the Restructuring Term Sheet attached to the Support Agreement;

“Sanction Order” has the meaning ascribed to that term in section 9.2;

“Section 5.1(2) Director/Officer Claims” means any Director/Officer Claims that may not be compromised pursuant to section 5.1(2) of the CCAA;

“Secured Notes” means 10% Secured Notes due March 1, 2021 in the principal amount of US\$197.5 million, for which Banro Group (Barbados) Limited is the issuer and the other Banro Parties are guarantors;

“Shareholders Agreement” means the shareholders agreement made between and among the shareholders of Newco on the Implementation Date, which shall contain the Newco Share Terms and otherwise be acceptable to the Applicants, the Monitor and the Requisite Consenting Parties, acting reasonably;

“Solicitation Agent” means Kingsdale Advisors;

“Stream Amendments” means the amendments and modifications to the Gold Streams as contemplated by the Restructuring Term Sheet;

“Stream Equity Warrants” means the warrants for common shares in the capital of Newco to be issued to the purchasers under the Gold Streams as consideration for the entering into of the Stream Amendments on the terms and conditions as set forth in the Restructuring Term Sheet and/or as may otherwise be agreed by the Applicants and the purchasers under the Gold Streams, each acting reasonably;

“Support Agreement” has the meaning ascribed to that term in the Recitals;

“Tax” or **“Taxes”** means any and all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever, including all interest, penalties, fines, additions to tax or other additional amounts in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Quebec and other government pension plan premiums or contributions;

“Tax Claim” means any Claim by a Taxing Authority against the Applicants regarding any Taxes in respect of any taxation year or period;

“Taxing Authority” means any of Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power;

“Transfer Agent” means the transfer agent in respect of the New Equity, which shall be acceptable to the Applicants and the Requisite Consenting Parties, acting reasonably;

“Third Party Released Parties” has the meaning ascribed to that term in section 8.1(b);

“Twangiza Forward I Agreement” means the amended and restated Gold Purchase and Sale Agreement Tranche 2/3 dated September 17, 2015 among Twangiza GFSA Holdings, Banro and Twangiza Mining S.A. (as amended or restated from time to time) in the secured amount of US\$4,492,200;

“Twangiza Forward II Agreement” means the purchase and sale Agreement dated July 12, 2017 (as amended or restated from time to time) among Baiyin International Investments Ltd, Banro and Twangiza Mining S.A. in the secured amount of US\$6.0 million;

“Twangiza Streaming Agreement” means the Gold Purchase and Sale Agreement dated December 31, 2015 among RFW Banro Investment Limited, Banro and Twangiza Mining S.A. (as amended or restated from time to time);

“Undeliverable Distribution” has the meaning given to that term in section 6.5 hereof;

“Unsecured Creditor Distribution Date” has the meaning given to that term in section 6.3 hereof;

“VIEF” means the Voting Information and Election Form (or other applicable instruction) provided to a Beneficial Noteholder by its Participant Holder;

“Voting Claim” means the amount of the Affected Claim of an Affected Creditor against the Applicant as finally accepted and determined for purposes of voting at the Creditors’ Meeting, in accordance with the provisions of the Meeting Order and the CCAA;

“Withholding Obligation” means the amounts that any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan;

SCHEDULE "B"
FORM OF SANCTION ORDER

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.

)

TUESDAY, THE 27th

JUSTICE HAINEY

)

DAY OF MARCH, 2018

)

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BANRO
CORPORATION, BANRO GROUP (BARBADOS) LIMITED, BANRO CONGO (BARBADOS)
LIMITED, NAMOYA (BARBADOS) LIMITED, LUGUSHWA (BARBADOS) LIMITED,
TWANGIZA (BARBADOS) LIMITED AND KAMITUGA (BARBADOS) LIMITED**

(the "**Applicants**")

**ORDER
(Plan Sanction)**

THIS MOTION made by the Applicants for an Order (the "**Sanction Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") *inter alia* (a) approving and sanctioning the Amended Consolidated Plan of Compromise and Reorganization of the Applicants dated March 9, 2018 (the "**Plan**"), a copy of which is attached hereto as Schedule "A", and (b) approving the Third Report of FTI Consulting Canada Inc. in its capacity as Monitor (the "**Monitor**"), dated February 15, 2018 (the "**Third Report**") and the Fourth Report of the Monitor dated March 13, 2018 (the "**Fourth Report**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the within Notice of Motion, the Affidavit of Rory James Taylor sworn March 13, 2018 including the exhibits thereto, the Confidential Affidavit of Rory James Taylor sworn March 13, 2018 (the "**Confidential Affidavit**"), the Third Report, the Fourth Report, the affidavit of Sophie Moher sworn March 26, 2018, and upon hearing the submissions of counsel for the Applicants, the Monitor, Gramercy Funds Management LLC, Baiyin International

Investment Limited, Baiyin Nonferrous Group Company, Limited, VR Global Partners, L.P. and no one else appearing although duly served as appears from the affidavit of service of Sophie Moher sworn March 13, 2018, and upon being advised that this Order shall serve as the basis for reliance on the exemption provided by Section 3(a)(10) of the *United States Securities Act of 1933*, as amended, from the registration requirements otherwise imposed by that Act,

DEFINED TERMS

1. **THIS COURT ORDERS** that all capitalized terms not otherwise defined herein shall be as defined in the Plan or as in the Meeting Order made in this proceeding (the “**CCAA Proceedings**”) by Justice Hainey on February 1, 2018 (the “**Meeting Order**”), as applicable.

SERVICE, NOTICE AND MEETINGS

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record, and the Fourth Report be and is hereby validated such that this Motion is properly returnable today and that service thereof upon any interested party other than the persons served with the Motion Record is hereby dispensed with.

3. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient service, delivery and notice to all Affected Creditors of the Information Package and the Noteholder Information Package, and that the Creditors’ Meetings were duly, called, convened, held and conducted all in conformity with the CCAA and all other Orders of this Court in the CCAA Proceedings (collectively, the “**CCAA Orders**”).

SANCTION OF THE PLAN

4. **THIS COURT ORDERS AND DECLARES** that:

- (a) Pursuant to the Meeting Order, the relevant classes of creditors of the Applicants for the purposes of voting to approve the Plan are the Affected Banro Unsecured Class and the Affected Secured Class;
- (b) the Plan has been approved by the Affected Banro Unsecured Required Majority and the Affected Secured Required Majority, all in conformity with the CCAA and the terms of the Meeting Order;

- (c) the Applicants have acted, and are acting, in good faith and with due diligence, and have complied with the provisions of the CCAA and the CCAA Orders in all respects;
- (d) the Court is satisfied that the Applicants have not done or purported to do anything that is not authorized by the CCAA; and
- (e) the Plan, all terms and conditions thereof, and the matters and the transactions contemplated thereby, are fair and reasonable including to all Persons who are entitled to receive equity in Newco in accordance with the Plan.

5. **THIS COURT ORDERS** that the Plan is hereby sanctioned and approved pursuant to section 6 of the CCAA and section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44.

PLAN IMPLEMENTATION

6. **THIS COURT ORDERS AND DECLARES** that the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby (including, without limitation, the steps in Article 7 of the Plan) are hereby approved, shall be deemed to be implemented and shall be binding and effective as of the Effective Time in accordance with the terms of the Plan or at such other time, times or manner as may be set forth in the Plan in the sequence provided therein, and shall enure to the benefit of and be binding and effective upon the Applicants, the Directors, the Officers, the Consenting Parties, all Affected Creditors, the DIP Lender, the Released Parties and all other Persons and parties named or referred to in, affected by, or subject to the Plan as provided for in the Plan or this Order.

7. **THIS COURT ORDERS** that each of the Applicants, the Directors, the Officers, and the Monitor is authorized and directed to take all steps and actions and to do all things, necessary or appropriate, to implement the Plan in accordance with its terms and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, disbursements, payments, deliveries, allocations, instruments and agreements contemplated by, and subject to the terms and conditions of, the Plan, and all such steps and actions are hereby authorized, ratified and approved. None of the Applicants, the Directors, the Officers or the Monitor shall incur any liability as a result of acting in accordance with the terms of the Plan and this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of such parties.

8. **THIS COURT ORDERS** that upon delivery of written notice from the Applicants and the Requisite Consenting Parties (or counsel on their behalf) to the Monitor that the conditions precedent as set out in the Plan have been satisfied or waived, as applicable, in accordance with the terms of the Plan, the Monitor shall as soon as reasonably practicable following receipt of such written notice, deliver to the Applicants a certificate signed by the Monitor substantially in the form attached hereto as Schedule "B" (the "**Monitor's Certificate**") certifying that all conditions precedent set out in the Plan have been satisfied or waived and that the Implementation Date has occurred and that the Plan and the provisions of this Sanction Order which come into effect on the Implementation Date are effective in accordance with their respective terms. Following the delivery of the Monitor's Certificate to the Applicants, the Monitor shall file the Monitor's Certificate with the Court, and shall post a copy of same, once filed, on the Monitor's website and provide a copy to the Service List. Upon delivery of the Monitor's Certificate to the Applicants, all applicable parties shall take such steps as are required to implement the steps set out in section 7.3 of the Plan.

COMPROMISE OF CLAIMS AND EFFECT OF PLAN

9. **THIS COURT ORDERS** that, pursuant to and in accordance with the terms of the Plan, on the Implementation Date, all existing Claims of Affected Creditors against the Applicants shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, extinguished and barred and all proceedings with respect to, in connection with or relating to such Affected Claims shall permanently be stayed against the Released Parties, subject only to the right of Affected Creditors to receive the distributions pursuant to the Plan and this Order in respect of their Claims, in the manner and to the extent provided for in the Plan.

10. **THIS COURT ORDERS** that the determination of Proven Claims in accordance with the Claims Procedure Order and Plan shall be final and binding on the Applicants and all Affected Creditors.

11. **THIS COURT ORDERS** that an Affected Creditor holding a Disputed Affected Banro Unsecured Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Disputed Affected Banro Unsecured Claim becomes a Proven Claim in accordance with the Claims Procedure Order and Plan.

12. **THIS COURT ORDERS** that nothing in the Plan extends to or shall be interpreted as extending or amending the Claims Bar Date or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order. Any Affected Claim or Director/Officer Claim for which a Proof of Claim or Director/Officer Proof of Claim has not been filed in accordance with the Claims Procedure Order, including for greater certainty and without limitation all claims or causes of action based on the allegations contained in the Lepard Action as defined below, whether or not the holder of such Affected Claim or Director/Officer Claim has received personal notification of the claims process established by the Claims Procedure Order, have been, shall be and are hereby forever barred, extinguished and released with prejudice.

13. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Plan or this Sanction Order, all obligations or agreements to which the Applicants are a party to immediately prior to the Effective Time, will be and shall remain in full force and effect as at the Implementation Date, unamended except as they may have been amended by agreement of the parties to such agreement, and no Person who is a party to any such obligation or agreement shall, following the Implementation Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, option, dilution or other remedy) or make any demand under or in respect of any such obligation or agreement, by reason of (i) any defaults or events of default arising as a result of the insolvency of the Applicants prior to the Implementation Date; (ii) any defaults, events of default or cross-defaults under or in respect of any Priority Lien Debt or Parity Lien Debt (as defined in the Amended and Restated Collateral Trust Agreement dated April 19, 2017), in each case arising prior to the Implementation Date; (iii) any change of control of the Applicants arising from the implementation of the Plan; (iv) the fact that the Applicants have sought or obtained relief under the CCAA or that the Plan has been implemented by the Applicants; (v) the effect on the Applicants of the completion of any of the transactions contemplated by the Plan; (vi) any compromises, arrangements, or reorganization effected pursuant to the Plan; or (vii) any other event(s) which occurred on or prior to the Implementation Date which would have entitled any Person to enforce rights and remedies subject to any express provisions to the contrary in any agreements entered into with the Applicants after the Filing Date.

14. **THIS COURT ORDERS** that from and after the Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Applicants then existing or previously committed by the Applicants, or caused by the Applicants, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, guarantee, agreement for sale, deed, licence, permit or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and any of the Applicants arising directly or indirectly from the filing by the Applicants under the CCAA and the implementation of the Plan, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Applicants from performing their obligations under the Plan or be a waiver of defaults by the Applicants under the Plan and the related documents.

15. **THIS COURT ORDERS** that on the Implementation Date, in accordance with the Plan all Equity Interests in Banro Corporation ("**Banro**") shall be cancelled without any liability, payment or other compensation in respect thereof.

16. **THIS COURT ORDERS AND DECLARES** that all claims or causes of action against Banro Corporation based on the allegations set out in the Class Action Complaint filed in the United States District Court for the Southern District of New York by EMA GARP FUND L.P. and Lawrence Lepard, individually and on behalf of all others similarly situated as plaintiffs (the "**Plaintiffs**") against Banro Corporation and John Clarke as defendants, bearing Case No. 18-cv-01986 (the "**Lepard Action**") constitute Affected Equity Claims.

17. **THIS COURT ORDERS AND DECLARES** that on the Implementation Date, in accordance with section 4.4 of the Plan, all Affected Equity Claims shall be fully and finally, irrevocably and forever compromised, released, discharged, cancelled and barred and that no Person including the Plaintiffs in the Lepard Action shall be entitled to any consideration or distributions in respect of such Affected Equity Claims.

DISTRIBUTIONS

18. **THIS COURT ORDERS AND DECLARES** that all distributions or payments by the Monitor, on behalf of the Applicants, to Affected Creditors with Proven Claims under the Plan are for the account of the Applicants and the fulfillment of the Applicants' obligations under the Plan.

19. **THIS COURT ORDERS** that the Applicants are authorized to take any and all such actions as may be necessary or appropriate to comply with applicable withholding and reporting requirements. All amounts withheld on account of Taxes shall be treated for all purposes as having been paid to Affected Creditors in respect of which such withholding was made, provided such withheld amounts are remitted to the appropriate Taxing Authority.

20. **THIS COURT ORDERS AND DECLARES** that the Applicants or the Monitor on behalf of the Applicants, as the case may be, shall be authorized, in connection with the making of any payment or distribution, and in connection with the taking of any step or transaction or performance of any function under or in connection with the Plan, to apply to any Governmental Entity for any consent, authorization, certificate or approval in connection therewith.

21. **THIS COURT ORDERS** that, on the Implementation Date, Newco shall issue the New Equity in accordance with the Plan to be held by the Transfer Agent on behalf of each Proven Affected Secured Creditor until such time as each Proven Affected Secured Creditor has delivered its Newco Equityholder Information in accordance with the Plan. In the event that a Proven Affected Secured Creditor fails to deliver its Newco Equityholder Information in accordance with the Plan on or before the date that is six months following the Implementation Date, the New Equity otherwise issuable to such Proven Affected Secured Creditor pursuant to the Plan shall not be delivered to such Proven Affected Secured Creditor and Newco shall be entitled to cancel, and shall have no further obligation to issue or deliver, any New Equity to such Proven Affected Secured Creditors in respect of which Newco Equityholder Information was not received and such Proven Affected Secured Creditors shall cease to have a claim to, or interest of any kind or nature against or in, the Applicants, Newco or the New Equity.

CHARGES

22. **THIS COURT ORDERS** that the Administration Charge and the Directors' Charge shall continue in full force and effect and shall, from and after the Effective Time, attach solely against the Administrative Reserve.

23. **THIS COURT ORDERS** that as of the Effective Time, the DIP Lenders' Charge and the DIP Claims shall be released without the consent of the Requisite Consenting Parties.

RELEASES

24. **THIS COURT ORDERS AND DECLARES** that the compromises, arrangements, releases, discharges and injunctions contemplated in Article 8 of the Plan, including those granted by and for the benefit of the Released Parties are integral components thereof and that, effective on the Implementation Date, all such compromises, releases, discharges and injunctions contemplated in the Plan are effective, sanctioned, approved and given full force and effect.

25. **THIS COURT ORDERS** that, to the extent not barred, released or otherwise affected by paragraph 12 above, and notwithstanding paragraph 24 above, any Person having, or claiming any entitlement or compensation relating to, a Director/Officer Claim (with the exception of any Director/Officer Claims judged by the express terms of a judgment rendered on a final determination on the merits to have resulted from criminal, fraudulent or other wilful misconduct on the part of the Director or Officer (an "**Excluded Director/Officer Claim**")) will be irrevocably limited to recovery in respect of such Director/Officer Claim solely from the proceeds of the applicable insurance policies held by the Applicants (the "**Insurance Policies**"), and Persons with any Director/Officer Claims will have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from the Applicants or any Released Party, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. Nothing in this Plan Sanction Order prejudices, compromises, releases or otherwise affects any right or defence of any insurer in respect of an Insurance Policy or any insured in respect of a Director/Officer Claim. Notwithstanding anything to the contrary herein, from and after the Implementation Date, a Person may only commence or continue an action for an Excluded Director/Officer Claim against a Director or Officer if such Person has first obtained leave of the Court on notice to the applicable Directors and Officers, the Monitor and the Applicants.

26. **THIS COURT ORDERS** that from and after the Implementation Date any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced,

taken or proceeded with against any Released Party in respect of all Claims and matters which are released pursuant to Article 8 of the Plan or discharged, compromised or terminated pursuant to the Plan, except as against the applicable insurer(s) to the extent that Persons with Director/Officer Claims seek to enforce rights to be paid from the proceeds of the Insurance Policies, and provided that any claimant in respect of a Director/Officer Claim that was duly filed with the Monitor by the Claims Bar Date shall be permitted to file a statement of claim in respect thereof to the extent necessary solely for the purpose of preserving such claimant's ability to pursue such Director/Officer Claim against an insurer in respect of an Insurance Policy. Notwithstanding anything to the contrary contained herein, from and after the Implementation Date, a Person may only commence or continue an action against a Released Party in respect of a matter that is not released pursuant to Article 8.1(a)(iii) of the Plan if such Person has first obtained leave of the Court on notice to the applicable Released Party, the Applicants, Newco, the Monitor and the insurer(s) under any applicable Insurance Policy.

27. **THIS COURT ORDERS** that, on the Implementation Date, each Affected Creditor, each holder of a Director/Officer Claim and any Person having a Released Claim shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety, and, in particular, each Affected Creditor, each holder of a Director/Officer Claim and any Person having a Released Claim shall be deemed:

- (a) to have executed and delivered to the Monitor, the Applicants and the other Released Parties all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (b) to have agreed that if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor, holder of a Director/Officer Claim, and the Applicants as of the Implementation Date and the provisions of the Plan, the provisions of the Plan take precedence and priority, and the provisions of such agreement or other arrangements shall be deemed to be amended accordingly.

THE MONITOR

28. **THIS COURT ORDERS** that in addition to its prescribed rights and obligations under the CCAA and the CCAA Orders, the Monitor is granted the powers, duties and protections contemplated by and required under the Plan and that the Monitor be and is hereby authorized,

entitled and empowered to perform its duties and fulfil its obligations under the Plan to facilitate the implementation thereof and to apply to this Court for any orders necessary or advisable to carry out its powers and obligations under any other CCAA Order.

29. **THIS COURT ORDERS** that, without limiting the provisions of the Initial Order or the provisions of any other CCAA Order, including this Order, the Applicants shall remain in possession and control of the Property (as defined in the Initial Order) and the Monitor shall not take possession or be deemed to be in possession and/or control of the Property.

30. **THIS COURT ORDERS** that the Applicants shall be and are hereby directed to maintain the books and records of the Applicants for purposes of assisting the Monitor in the completion of the resolution of the Affected Banro Unsecured Claims;

31. **THIS COURT ORDERS AND DECLARES** that in no circumstance will the Monitor have any liability for any of the Applicants' tax liabilities regardless of how or when such liabilities may have arisen.

32. **THIS COURT ORDERS** that, effective upon the delivery of the Monitor's Certificate to the Applicants in accordance with paragraph 8 hereof:

(a) the Initial Order shall be amended to delete in their entirety subparagraphs 27(a), 27(c), 27(d), 27(e) and 27(f) and the Monitor shall thereafter have no obligation to perform any duty or exercise any power set out in such subparagraphs; and

(b) the Applicants shall not be subject to the restrictions, obligations, requirements or provisions of paragraphs 8-13 or 23 of the Initial Order.

EXTENSION OF STAY PERIOD

33. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 15 of the Initial Order) be and is hereby extended until and including the earlier of April 27, 2018 or the filing of the Monitor's Certificate.

APPROVAL OF MONITOR'S THIRD AND FOURTH REPORTS

34. **THIS COURT ORDERS** that the Third Report and Fourth Report and the conduct and activities of the Monitor described therein be and are hereby approved.

SEALING

35. **THIS COURT ORDERS** that the Confidential Affidavit be and is hereby sealed and treated as confidential.

GENERAL

36. **THIS COURT ORDERS** that the Applicants, the Monitor and any other interested parties are hereby granted leave to apply to this Court for such further advice, directions or assistance as may be necessary to give effect to the terms of the Plan and any other matters that pertain to the completion of the administration of the CCAA Proceedings.

37. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body having jurisdiction in Canada, the United States, or in any other foreign jurisdiction, to recognize and give effect to the Plan and this Order, to confirm the Plan and this Order as binding and effective in any appropriate foreign jurisdiction, and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of the Plan and this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants, and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Applicants in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

SCHEDULE "A"
PLAN OF COMPROMISE AND REORGANIZATION

SCHEDULE "B"
FORM OF MONITOR'S PLAN IMPLEMENTATION DATE CERTIFICATE

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BANRO
CORPORATION, BANRO GROUP (BARBADOS) LIMITED, BANRO CONGO (BARBADOS)
LIMITED, NAMOYA (BARBADOS) LIMITED, LUGUSHWA (BARBADOS) LIMITED,
TWANGIZA (BARBADOS) LIMITED AND KAMITUGA (BARBADOS) LIMITED**

(the "**Applicants**")

**MONITOR'S CERTIFICATE
(Plan Implementation)**

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Order of the Honourable Mr. Justice Hainey made in these proceedings on March 27, 2018 (the "**Sanction Order**").

Pursuant to paragraph 8 of the Sanction Order, FTI Consulting Canada Inc. in its capacity as Court-appointed Monitor of the Applicants (the "**Monitor**") delivers to the Applicants this certificate and hereby certifies that it has been informed in writing by the Applicants and the Requisite Consenting Parties that all of the conditions precedent set out in the Plan have been satisfied or waived, and that the Implementation Date has occurred and the Plan and the provisions of the Sanction Order which come into effect on the Implementation Date are effective in accordance with their respective terms. This Certificate will be filed with the Court and posted on the website maintained by the Monitor.

[Type text]

DATED at the City of Toronto, in the Province of Ontario, this 27th day of March, 2018 at
10:00 a.m.

FTI CONSULTING CANADA INC., in its
capacity as Court-appointed Monitor of the
Applicants and not in its personal or
corporate capacity

By: _____
Name:
Title:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BANRO CORPORATION, BANRO GROUP (BARBADOS) LIMITED, BANRO CONGO (BARBADOS) LIMITED, NAMOYA (BARBADOS) LIMITED, LUGUSHWA (BARBADOS) LIMITED, TWANGIZA (BARBADOS) LIMITED AND KAMITUGA (BARBADOS) LIMITED

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

PLAN SANCTION ORDER

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Lawyers for the Applicants

[Type text]

DATED at the City of Toronto, in the Province of Ontario, this 27th day of March, 2018 at
10:00 a.m.

FTI CONSULTING CANADA INC., in its
capacity as Court-appointed Monitor of the
Applicants and not in its personal or
corporate capacity

By: _____

Name:

Title:

Court File No. CV17-589016-00CL
IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF BANRO CORPORATION, BANRO GROUP (BARBADOS) LIMITED, BANRO CONGO (BARBADOS) LIMITED,
NAMOYA (BARBADOS) LIMITED, LUGUSHWA (BARBADOS) LIMITED, TWANGIZA (BARBADOS) LIMITED AND KAMITUGA (BARBADOS) LIMITED

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

PLAN SANCTION ORDER

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Lawyers for the Applicants

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PAYLESS SHOESOURCE CANADA INC. AND PAYLESS SHOESOURCE CANADA GP INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**BOOK OF AUTHORITIES OF THE APPLICANTS
(Plan Sanction Order)**

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