

## INSTRUCTION LETTER

### FOR THE CLAIMS PROCESS FOR CREDITORS OF STERLING SHOES INC., STERLING SHOES GP INC. AND STERLING SHOES LIMITED PARTNERSHIP

(hereinafter referred to collectively as the “Petitioner Parties”)

#### 1. Claims Process

By order of the Supreme Court of British Columbia (the “**Court**”) dated April 2, 2012 (as may be amended, restated or supplemented from time to time, the “**Claims Process Order**”), in the proceeding commenced by the Petitioner Parties under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), the Petitioner Parties have been authorized to conduct a claims process (the “**Claims Process**”). A copy of the Claims Process Order, with all schedules, may be found on the Monitor’s Website at: [www.alvarezandmarsal.com/en/canada/sterling](http://www.alvarezandmarsal.com/en/canada/sterling). Capitalized terms used in this letter, which are not defined in this letter shall have the meaning ascribed to them in the Claims Process Order.

This letter provides instructions for Creditors, other than Landlords, for completing the Proof of Claim. A blank Proof of Claim form is included with this letter.

The Claims Process is intended for any Person asserting a Claim (other than an Exempted Claim) of any kind or nature whatsoever against any of the Petitioner Parties and/or any of their Directors and/or Officers arising before the Filing Date, and/or any Restructuring Claim arising on or after the Filing Date as a result of a restructuring, disclaimer, resiliation, termination or breach by any of the Petitioner Parties on or after the Filing Date of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral, and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of the Claims Process Order.

Current employees of the Petitioner Parties are **not** required to submit a Proof of Claim in respect of any Claim pertaining to wages, including vacation pay and banked time due to them.

Landlords of the Petitioner Parties are required to submit a Landlord Proof of Claim. A copy of the Landlord Claims Package may be found on the Monitor’s website or by contacting the Monitor at the address indicated below.

If a notice setting out the amount which the Petitioner Parties have determined to be the amount of your Claim (a “**Claim Amount Notice**”) is enclosed with this letter, and you do **not** dispute the nature or amount of such Claim as set out in the Claim Amount Notice, you are **not** required to file a Proof of Claim. If a Claim Amount Notice is enclosed and you dispute the nature or amount of your Claim as set out in the Claim Amount Notice, you must file a Proof of Claim (as referenced in paragraph 2 below) to avoid the barring and extinguishment of that portion of your Claim that exceeds the amount set out in the Claim Amount Notice. Any Creditor, other than a Landlord, who receives a Claim Amount Notice and who does not file a Proof of Claim by the Claims Bar Date in accordance with paragraph 2 below is deemed to have accepted the nature and amount of such Claim, as set out in the applicable Claim Amount Notice.

If a Claim Amount Notice is **not** enclosed with this letter and you wish to file a Claim, you must file a Proof of Claim (as referenced in paragraph 2 below) to avoid the barring and extinguishment of any Claim which you may have against any of the Petitioner Parties and/or any of their Directors and/or Officers.

If you have any questions regarding the Claims Process, please contact the Court-appointed Monitor at the address provided below.

All enquiries with respect to the Claims Process should be addressed to:

Alvarez & Marsal Canada Inc.  
Court-appointed Monitor of Sterling Shoes Inc. et al.  
400 Burrard Street, Suite 1680  
Vancouver, British Columbia V6C 3A6  
Attention: Tom Powell  
Telephone: 604.639.0853  
Fax: 604.638.7441  
Email: [ssiclaims@alvarezandmarsal.com](mailto:ssiclaims@alvarezandmarsal.com)

## **2. For Creditors Submitting a Proof of Claim**

If you have not received a Claim Amount Notice, or you have received a Claim Amount Notice and you dispute the nature or amount of the Claim as set out in such Claim Amount Notice, you are required to file a Proof of Claim, in the form enclosed herewith, and ensure **that it is received by the Monitor by 5:00 p.m. (Vancouver time) on May 9, 2012** (the “**Claims Bar Date**”), to avoid the barring and extinguishment of any Claim (other than a Restructuring Claim) you may have against any of the Petitioner Parties and/or any of their Directors and/or Officers in excess of any amount set out in the Claim Amount Notice enclosed herewith, if any.

To avoid the barring and extinguishment of any Restructuring Claim you may have against any of the Petitioner Parties and/or any of their Directors and/or Officers, you are required to file a Proof of Claim, in the form enclosed herewith, and ensure **that it is received by the Monitor by the later of: (a) the Claims Bar Date, and (b) 5:00 p.m. (Vancouver time) on the day which is ten (10) days after the date of the Notice of Disclaimer or Resiliation** sent to you (the “**Restructuring Claims Bar Date**”).

For the avoidance of doubt, any Claim or Restructuring Claim you may have against any of the Petitioner Parties must be filed in accordance with the Process set forth herein.

Additional Proof of Claim forms can be found on the Monitor’s website at [www.alvarezandmarsal.com/en/canada/sterling](http://www.alvarezandmarsal.com/en/canada/sterling) or obtained by contacting the Monitor at the address indicated above and providing particulars as to your name, address, facsimile number and e-mail address. Once the Monitor has this information, you will receive, as soon as practicable, additional Proof of Claim forms.

If you are submitting your Proof of Claim electronically, please submit it in one PDF file and ensure the name of the file is **[legal name of creditor]poc.pdf**.

### **3. Claims Order**

While this Instruction Letter, along with its accompanying Proof of Claim form, is provided to assist you in the Claims Process, you must comply with the terms of the Claims Process Order dated April 2, 2012.

**UNLESS YOU ARE A HOLDER OF A CLAIM FOR WHICH YOU HAVE RECEIVED A CLAIM AMOUNT NOTICE THAT YOU DO NOT DISPUTE; IF A PROOF OF CLAIM IN RESPECT OF YOUR CLAIM IS NOT RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE:**

**(A) YOUR CLAIM SHALL BE FOREVER BARRED AND EXTINGUISHED AND YOU WILL BE PROHIBITED FROM MAKING OR ENFORCING A CLAIM AGAINST ANY OF THE PETITIONER PARTIES AND/OR ANY OF THEIR DIRECTORS AND/OR OFFICERS;**

**(B) YOU SHALL NOT BE PERMITTED TO VOTE ON ANY PLAN OF ARRANGEMENT OR COMPROMISE OR ENTITLED TO ANY FURTHER NOTICE OR DISTRIBUTION UNDER THE PLAN, IF ANY;**

**(C) YOU SHALL NOT BE ENTITLED TO ANY PROCEEDS OF SALE OF ANY OF THE PETITIONER PARTIES' ASSETS; AND**

**(D) YOU SHALL NOT BE ENTITLED TO PARTICIPATE AS A CREDITOR IN THE CCAA**