

District of Ontario  
Division No. 09 — Toronto  
Court No. 31-2849223  
Estate No.: 31-2849223

**Form 35**

**IN THE MATTER OF THE DIVISION I PROPOSAL OF  
LINKS OF LONDON (CANADA) LIMITED**

**PROPOSAL  
AUGUST 15, 2022**

**WHEREAS** Links of London (Canada) Limited (the “**Debtor**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) with the Office of the Superintendent of Bankruptcy on July 20, 2022;

**AND WHEREAS** Alvarez and Marsal Canada Inc. agreed to act as proposal trustee of the Debtor in the NOI proceedings (in such capacity, the “**Proposal Trustee**”);

**AND WHEREAS** the Debtor has liquidated all of its inventory and ceased conducting business on or about January 31, 2020 and has largely wound down its Canadian operations;

**AND WHEREAS** the Debtor desires to make a proposal to its Creditors (defined below) that would result in a better recovery for those Creditors than they would receive in Bankruptcy Proceeding (defined below);

**AND WHEREAS** the Debtor is holding approximately \$364,985.62 of cash proceeds following the liquidation of its inventory (the “**Liquidation Proceeds**”);

**AND WHEREAS** the Debtor’s sole shareholder, Links (London) Limited (in creditors’ voluntary liquidation) (“**Links UK**”) is by far the largest creditor of the Debtor, with a claim in the approximate amount of \$5.11 million;

**AND WHEREAS** on October 8, 2019, Links UK was placed into administration pursuant to the laws of England and Wales in the United Kingdom by the directors of the company under paragraph 22 of Schedule B1 of the Insolvency Act 1986;

**AND WHEREAS** following October 22, 2020, Links UK is now subject to creditors’ voluntary liquidation proceedings pursuant to the laws of England and Wales in the United Kingdom;

**AND WHEREAS** the Debtor’s indirect affiliate in the United States, Links of London Inc. (“**Links US**”) is subject to bankruptcy proceedings pursuant to Chapter 7 of the Bankruptcy Code in the United States;

**AND WHEREAS** Links UK, acting by its joint liquidators, Matthew David Smith and Daniel James Mark Smith together as joint liquidators (without personal liability) (the “**Liquidators**”), has agreed to subordinate the Links UK Intercompany Claim (defined below) against the Debtor in

favour of all other Creditors, and to share in the remainder of the Liquidation Proceeds, following the payment in full of all other Creditors' Proven Claims, pursuant to the terms of this Proposal.

**NOW THEREFORE** the Debtor submits to its Creditors the following proposal.

## **ARTICLE 1 — DEFINITIONS**

### **1.1 Definitions**

In this Proposal, the following words and phrases shall have the following respective meanings:

- (a) **"Act"** means the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (as amended).
- (b) **"Approval Date"** means the date on which both of the following have occurred: (i) the Proposal has been approved by the Requisite Majority, and (ii) the Approval Order has been issued, has not been stayed, there is no outstanding appeal of the Approval Order and the time for appealing the Approval Order has lapsed.
- (c) **"Approval Order"** means an order of the Court, in form and substance satisfactory to the Debtor and the Proposal Trustee approving and sanctioning this Proposal in accordance with the provisions hereof and of the Act.
- (d) **"Bankruptcy Proceeding"** means an immediate liquidation of the Debtor's remaining assets and distribution of such proceeds in a bankruptcy proceeding under the Act.
- (e) **"Business Day"** means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Toronto, Ontario.
- (f) **"Claim"** means any right of any Person against the Debtor in connection with any indebtedness, liability or obligation of any nature whatsoever, including, without limitation, claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature, incurred or arising or related to the period prior to the Filing Date, or based in whole or in part on facts, contracts or arrangements which occurred or existed prior to the Filing Date, including, for greater certainty: (i) any claim against the Debtor for indemnification by any Director or Officer; and (ii) any right of any Person against the Debtor arising pursuant to sections 65.11 or 65.2 of the Act. For the avoidance of doubt, a Claim includes a Termination Claim but does not include a Post-Filing Claim.
- (g) **"Court"** means the Ontario Superior Court of Justice.
- (h) **"Creditor"** means any Person having a Claim, secured, unsecured or otherwise, and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person.

- (i) **“Crown Priority Claims”** means all Claims of Her Majesty in Right of Canada or a Province that were outstanding on the Filing Date and are of a kind that could be subject to a demand under:
  - (i) subsection 224(1.2) of the Income Tax Act;
  - (ii) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the Income Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or
  - (iii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Income 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
    - (A) 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 Income Tax Act; or
    - (B) 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.
- (j) **“D&O Claim”** means the right 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 or equity, liable to pay in his or her capacity as a Director or Officer.
- (k) **“Directors and Officers”** means all current and former directors and officers of the Debtor, in such capacities, or their respective estates, and “Director” or “Officer” means any one of them.
- (l) **“Disputed Claim”** means any Claim or D&O Claim which has been received by the Proposal Trustee in accordance with the terms of this Proposal and the Act, but has not been accepted as proven in accordance with section 135 of the Act or

which is being disputed in whole or in part by the Proposal Trustee, or any other person entitled to do so and has not been resolved by agreement or by Order of the Court.

- (m) **“Effective Date”** means the date that is two (2) Business Days following the satisfaction of the conditions listed in Article 6 of this Proposal.
- (n) **“Employee”** means a Person who performed work for the Debtor for wages under the terms of an employment agreement, and does not include Persons engaged as dependent contractors or independent contractors.
- (o) **“Employee Priority Claims”** means Claims of employees and former employees of amounts at least equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the Act if the Debtor became bankrupt on the Filing Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the court approval of the proposal, together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the bankrupt’s business during the same period.
- (p) **“Employee Priority Creditors”** means the holders of Employee Priority Claims.
- (q) **“Filing Date”** means July 20, 2022.
- (r) **“Final Dividend Notice”** as the meaning given to it in Section 3.1 of this Proposal.
- (s) **“Inspectors”** means any inspectors that are or may be duly appointed pursuant to section 56 of the Act.
- (t) **“Intercompany Claims”** means the Links UK Intercompany Claim and the Links US Intercompany Claim (if any).
- (u) **“Known Creditor”** mean a Creditor of the Debtor that, based on the books and records of the Debtor, are known to have an outstanding Claim against the Debtor.
- (v) **“Known Creditor Claim”** means the amount of the Claim of a Known Creditor against the Debtor, as reflected in the books and records of the Debtor.
- (w) **“Links UK Intercompany Claim”** means the unsecured intercompany Claim of Links UK against the Debtor.
- (x) **“Links US Intercompany Claim”** means the unsecured intercompany claim of Links US against the Debtor.
- (y) **“Liquidators”** has the meaning given to it in the recitals of this Proposal.
- (z) **“Meeting of Creditors”** means the meeting of Creditors scheduled to consider and vote on the Proposal, and any adjournment thereof.

- (aa) **"Meeting Date"** means September 1, 2022, or such other date as may be set by the Proposal Trustee in accordance with the Act, on which the Meeting of Creditors shall be held.
- (bb) **"Official Receiver"** means a federal government employee in the office of the Superintendent who, among other things, accepts and reviews documents that are filed in proposals made under the Act.
- (cc) **"Payment Date"** means the date on which the Proposal Trustee has received the Debtors funds pursuant to Section 2.6 hereof.
- (dd) **"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.
- (ee) **"Post-Filing Claim"** means a claim arising in respect of goods supplied, services rendered or other consideration given to the Debtor, in the ordinary course of business, subsequent to the Filing Date, but for the avoidance of doubt does not include Termination Claims or claims by Employees for termination or severance.
- (ff) **"Preferred Claims"** means that portion of a Claim that is accepted by the Proposal Trustee as entitling the Preferred Creditor to receive payment in priority to other Proven Creditors, as provided in section 136 of the Act.
- (gg) **"Preferred Creditors"** means the holders of Preferred Claims.
- (hh) **"Professional Fees"** means, collectively, all fees, expenses, liabilities and disbursements of the Debtor or the Proposal Trustee, and their respective legal counsel, accounting fees and consulting fees (if any) arising out of or in connection with the Proposal proceedings and any Claims therein, including (i) any such fees incurred prior to the Filing Date, and (ii) the fees and disbursements of any agents retained by the Debtor or the Proposal Trustee.
- (ii) **"Proof of Claim"** means the form to be delivered by the Creditors to the Proposal Trustee in accordance with the Act.
- (jj) **"Proposal"** means this Proposal, as may be varied, amended, modified or supplemented in accordance with the provisions hereof and the Act.
- (kk) **"Proposal Trustee"** has the meaning given to it in the recitals.
- (ll) **"Proven Claim"** means the amount or any portion of a Claim or D&O Claim that is accepted as proven by the Proposal Trustee pursuant to section 135 of the Act and determined for distribution purposes in accordance with the provisions of the Act or any applicable orders from the Court.

- (mm) **"Proven Creditors"** means Creditors with Proven Claims.
- (nn) **"Related Person"** means "related persons" (as defined in Section 4(2) of the Act) to the Debtor, which for greater certainty, includes Links UK and Links US.
- (oo) **"Released D&O Claims"** means all D&O Claims that are released pursuant to Section 10.2 hereof.
- (pp) **"Released Parties"** has the meaning ascribed to it in Section 10.1 hereof.
- (qq) **"Requisite Majority"** means a majority in number and two-thirds in value of all Proven Claims of Creditors entitled to vote, who are present and voting at the Creditors' Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the Act.
- (rr) **"Secured Creditors"** means "secured creditors", as defined in Section 2 of the Act.
- (ss) **"Secured Claims"** means Proven Claims of Secured Creditors, in their capacity as such.
- (tt) **"Superintendent"** has the meaning given to it in Section 5 of the Act.
- (uu) **"Superintendent's Levy"** has the meaning given to it in Section 147 of the Act.
- (vv) **"Termination Claim"** means any Claim in contract, tort or otherwise that is based or predicated on by the termination by the Debtor of any contract, business relationship or agreement, or the cessation of services by the Debtor.

## 1.2 Time

All times expressed in this Proposal are local time Toronto, Ontario, unless otherwise stipulated. Time is of the essence in this Proposal.

## 1.3 Monetary References

All references to currency and to "\$" are to Canadian dollars, unless otherwise indicated.

## 1.4 Date for Any Action

In the event that any date on which any action is required to be taken under this Proposal by any Person is not a Business Day, the action shall be required to be taken on the next proceeding day that is a Business Day.

## 1.5 Number

Words importing a singular number include the plural, and vice versa.

## ARTICLE 2 — PURPOSE AND EFFECT OF PROPOSAL

### 2.1 Background to Proposal

The Debtor is the wholly owned subsidiary of Links UK, and depended on its parent company and on its affiliate Links US for inventory, technical support, sale tracking, IT services, bookkeeping and other operational support. The administration proceedings (and subsequent liquidation proceedings) of Links UK and bankruptcy proceedings of Links US, and the corresponding liquidation of both, forced the Debtor to commence the liquidation of its own inventory in November of 2019. The Debtor's liquidation was completed by the end of January, 2020, by which time it had vacated the premises of the five retail locations it formerly occupied in Canada.

Prior to and following the NOI, the Debtor has been working diligently to resolve outstanding tax filings and to coordinate with its Creditor and other claimants to facilitate an orderly wind-down of its business and operations. The Debtor has a relatively small number of domestic trade Creditors and is generally current on its obligations during its wind-down, including on account of payroll, taxes and rent. The Debtor's largest Creditor by far is Links UK, which had been providing inventory, loans and services for more than two years to support the Debtor. Based on a review of the Debtor's books and records, the Debtor does not believe that there is any Links US Intercompany Claim, however Links US will be permitted to prove a claim in the Proposal, in accordance with the terms here of and the Act.

The Debtor has no Secured Creditors and does not participate in a prescribed pension plan within the meaning of s. 60(1.5) of the Act.

### 2.2 Overview of Proposal

The objective of this Proposal is to provide for a structured, coordinated and transparent wind-down, and to address the Claims of Creditors in an orderly fashion. This Proposal is designed to allow the Debtor to distribute the net proceeds of its estate to the Proven Creditors in a manner that will result in the Proven Creditors receiving more than would be recovered in a Bankruptcy Proceeding.

To facilitate the approval and implementation of the Proposal, Links UK has agreed to fully subordinate the Links UK Intercompany Claim to the claims of other Proven Creditors if the Proposal is approved by the Requisite Majority and the Court, without prejudice to its ability to pursue the Links UK Intercompany Claim in a Bankruptcy Proceeding.

In the event that the Approval Order is granted and the Proposal is implemented, the result of the subordination by Links UK of the Links UK Intercompany Claim will be that all Proven Claims will be paid in full, and Links UK will only participate in a distribution after all other Proven Claims and Professional Fees have been paid.

In the event that the Approval Order is not granted and the Proposal is not implemented, the Debtor shall be automatically deemed to have filed an assignment in bankruptcy, and the Links UK Intercompany Claim would participate in a distribution in the Bankruptcy Proceeding. In such a case, the Debtor anticipates that the Proven Creditors will receive only a fraction of their Proven



Claims. In the Debtor's view, this makes the Proposal significantly superior to a Bankruptcy Proceeding for Proven Creditors.

This Proposal provides of the payment in full of Crown Priority Claims as required by s. 60(1.1) of the Act, however the Debtor does not believe that any such Crown Priority Claims exist. All Employee Priority Claims, if any, required by s. 60(1.3) of the Act shall be paid by this Proposal. This Proposal does not provide for the payment of any equity claims.

### 2.3 Proposed Payments / Contributions

The Debtor has completed the liquidation of its assets and has no further property to sell. The Liquidation Proceeds, net of Professional Fees, will be available for distribution in accordance with Section 2.4 of the Proposal (the "**Distribution Funds**"), which amount shall be all of the Debtor's cash on hand as at the date that such cash is required to be transferred to the Proposal Trustee in accordance with Section 2.6.

### 2.4 Proposed Distribution

The Distribution Funds will be paid in accordance with the terms of the Proposal, as follows:

- (a) Professional Fees. Subject to any applicable provisions of the Act, the Professional Fees will be paid in full, as they become due.
- (b) Crown Priority Claims. All Crown Priority Claims that were outstanding as at the Filing Date, if any, shall be paid in full to Her Majesty in right of Canada or a Canadian province or territory, as applicable, within six months after the issuance of the Approval Order.
- (c) Employee Priority Claims. All Employee Priority Claims, if any, will be paid in full in amounts to be determined by the Proposal Trustee pursuant to Section 135 of the Act.
- (d) Superintendent's Levy. The Superintendent's Levy will be paid in full.
- (e) Preferred Claims. Any remaining Preferred Claims (after the payments provided for in 2.4(a) and 2.4(d) of this Proposal have been made, or reserves taken therefor), if any, shall be paid in full.
- (f) Secured Claims. All Secured Claims, if any, shall be paid in full.
- (g) Unsecured Creditors. All other Proven Claims, other than the Intercompany Claims, that are not paid pursuant to (a) through (f) of this Section 2.4 (including, for the avoidance of doubt, all D&O Claims that are Proven Claims) will receive a *pari passu* distribution of the remainder of the Distribution Funds after the payments are made (or corresponding reserves taken) for the distributions in (a) through (e).



- (h) Intercompany Claims. Following the payment in full of the distributions in (a) through (g), any remaining Distribution Funds will be paid ratably to Links UK and Links US on account of the Intercompany Claims.

## 2.5 Post-filing Claims

Post-filing Claims, if any, shall be paid in full by the Debtor in the ordinary course of business, on regular trade terms, prior to the payment of the Debtor's cash on hand to the Proposal Trustee pursuant to Section 2.6 hereof.

## 2.6 Timing and Payment of the Distribution Funds to the Proposal Trustee

On a date not later than five (5) Business Days following the Approval Date, the Debtor shall transfer to the Proposal Trustee all cash on hand as if the date of such transfer, which for the avoidance of doubt shall include all proceeds of sale of the Debtor's assets still in the Debtor's possession.

## 2.7 Effect of Payments

Upon the Debtor making the payments to the Proposal Trustee in accordance with Section 2.6 hereof, the Debtor, its successors and assigns, and the Directors and Officers shall be deemed to have fully satisfied the terms of this Proposal.

## 2.8 Persons Affected

The Proposal provides for a full and final release and discharge of all Claims and Released D&O Claims and a settlement of and consideration for Claims. The Proposal will become effective at 12:01 a.m. (Toronto time) on the Effective Date in accordance with its terms and shall be binding on and enure to the benefit of the Debtor and other Persons directly or indirectly named or referred to in or subject to the Proposal.

On the Effective Date in accordance with the terms of this Proposal and in accordance with the provisions of the Approval Order, the treatment of all Claims and Released D&O Claims shall be final and binding on the Debtor, Links UK, Links US, the Officers and Directors, all Creditors (and their respective heirs, executors, administrators, liquidators, legal and personal representatives, successors and assigns), and all Claims and Released D&O Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Debtor and the Directors and Officers shall thereupon have no further obligation whatsoever in respect of the Claims and Released D&O Claims; provided that nothing herein releases the Debtor or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Proposal, and provided further that such discharge and release of the Debtor and the Directors and Officers shall be without prejudice to the right of a Creditor in respect of a Disputed Claim to prove such Disputed Claim in accordance with the Act so that such Disputed Claim may become a Proven Claim.

## 2.9 Assignment of Claims Subsequent to the Meeting of Creditors

After the Meeting of Creditors, a Creditor with a Proven Claim may transfer or assign the whole, but not part, of its Claim, provided that the Debtor shall not be obliged to make distributions to any transferee or assignee of a Creditor's Claim or otherwise deal with such transferee or assignee as a Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by the Proposal Trustee prior to the date of Final Dividend Notice. For greater certainty, the Debtor shall not recognize partial transfers or assignments of Creditors' Claims. A transferee or assignee of a Creditor's Claim shall not be entitled to set-off, apply, merge, consolidate, or combine any such Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such transferee or assignee to the Debtor.

### ARTICLE 3 — CLAIMS PROCESS

#### 3.1 Claims Process

In order to be eligible to vote at the Meeting of Creditors, each Creditor shall file a Proof of Claim with the Proposal Trustee in accordance with the applicable provisions of the Act, and shall specify every Claim and every D&O Claim it asserts against the Debtor and/or the Directors and Officers, as applicable. Thereafter, the Proposal Trustee shall examine every Proof of Claim and determine whether such Claims are Proven Claims or Disputed Claims, and whether such Claims are Crown Priority Claims or Employee Priority Claims, as applicable.

In order to receive a distribution from the Distribution Funds, a Creditor must submit, or be deemed to have submitted, a Proof of Claim prior to the time the Proposal Trustee distributes funds in accordance with Article 3.5 of the Proposal and the Act.

In accordance with section 149 of the Act, prior to the final distribution from the Distribution Fund, the Proposal Trustee shall give notice (the "**Final Dividend Notice**") by e-mail to every Person with a Claim of which the Proposal Trustee has notice or actual knowledge but who did not file a Proof of Claim.

#### 3.2 Known Creditor Claims

Known Creditors shall be deemed to have filed a Proof of Claim in the amount of their respective Known Creditor Claims, as calculated by the Debtor in consultation with the Proposal Trustee, and such Known Creditor Claims in such amount shall be deemed to be Proven Claims, without any further action of the Known Creditor.

The Proposal Trustee shall notify each Known Creditor of the amount of their deemed Known Creditor Claims, in writing, at the last known email address or mailing address of each Known Creditor on the books and records of the Debtor. Known Creditors are not bound by their deemed Proofs of Claim and may elect to file a Proof of Claim for another amount, which shall be assessed by the Proposal Trustee in accordance with Section 135 of the Act. Known Creditors who file a Proof of Claim shall not be deemed to have filed a Proof of Claim in the amount of their Known Creditor Claim.

### 3.3 Claims for Voting Purposes

Each Creditor shall be entitled to a single vote valued at the amount of its Claim or a portion of its Claim, if any, that has been deemed a Proven Claim or accepted by the Proposal Trustee for voting purposes without prejudice to the rights of the Debtor, the Proposal Trustee and the Creditor to have the quantum of any Disputed Claim finally determined for the purposes of receiving its share of the Creditors' funds, if any, or for the purposes of determining whether this Proposal was approved by the Requisite Majority.

For greater certainty, Employee Priority Creditors shall not be entitled to vote their Employee Priority Claims.

Without limiting the foregoing, Disputed Claims shall be tracked by the Proposal Trustee as if such claims were Proven Claims but Disputed Claims will not be considered for the purposes of determining the Requisite Majority. The Proposal Trustee will report to the Court on the impact on the Requisite Majority had the Disputed Claims constituted accepted claims for voting purposes.

### 3.4 Disputed Claims

Any Creditor with a Disputed Claim shall not be entitled to receive any distribution hereunder with respect to such Disputed Claim unless and until such Claim becomes a Proven Claim. Distributions pursuant to Article 2.4 of this Proposal shall be made in respect of any Disputed Claim that is finally determined to be a Proven Claim.

### 3.5 Claims Bar

Any Person who does not file its Claim or D&O Claim within thirty (30) days of the issuance of the Final Dividend Notice, shall forever be barred from making a Claim or D&O Claim or sharing in any dividend hereunder, subject to any exception set out in sections 149(2), (3), (4) and 150 of the Act, regardless of whether such Person was sent a Final Dividend Notice or whether such Person received such Final Dividend Notice, provided that the Proposal Trustee shall be entitled, in its reasonable discretion, to waive strict compliance with this Article 3.6 in respect of specific Claims if such waiver would not materially prejudice Proven Creditors.

### 3.6 Interest on Claims

Interest will not accrue or be paid on Proven Claims after or in respect of the period following the Filing Date and no Creditor with a Proven Claim will be entitled to any interest in respect of such Claim accruing on or after or in respect of the period following the Filing Date.

### 3.7 Class of Creditors

For the purpose of considering and voting upon and receiving distributions under this Proposal, there shall be one class of Creditors.

### 3.8 Set-Off

Subject to Section 2.9, the law of set-off applies to all Claims.

## ARTICLE 4 — MEETING OF CREDITORS

### 4.1 Meeting of Creditors

The Meeting of Creditors will be held on the Meeting Date. Due to the uncertain duration of social-distancing measures currently mandated by provincial governments in response to the Covid-19 epidemic, the Meeting of Creditors will be held virtually, on such terms and parameters as the Proposal Trustee considers appropriate, with video and teleconference access for any Creditors who wish to virtually attend. The Proposal Trustee shall provide all known Creditors with the necessary connection, dial-in and other information about the Meeting of Creditors.

### 4.2 Voting Virtually

Persons virtually in attendance at the Meeting of Creditors by video or teleconference who are eligible to vote shall cast their vote in the manner prescribed by the Proposal Trustee. All votes will be recorded and tabulated by the Proposal Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of votes.

### 4.3 Proxies and Voting Letters

Proxies, as provided for in the Act indicating a Person authorized to act on behalf of a Creditor holding a Proven Claim, may be submitted to the Proposal Trustee at, or any time prior to, the commencement of the vote on the Proposal at the Meeting of Creditors.

Voting letters as provided for in the Act submitted to the Proposal Trustee prior to the Meeting of Creditors must indicate whether the Creditor wishes to cast its vote in favour of or against the Proposal. Voting letters that do not indicate either preference will be deemed to indicate a vote in favour of the Proposal.

### 4.4 Quorum

A quorum shall be constituted for the Meeting of Creditors or any adjournment thereof if there is one Creditor, entitled to vote, present virtually by video or teleconference, or by proxy or if one Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the Act and this Proposal. If the requisite quorum is not virtually present at the Meeting of Creditors or if the Meeting of Creditors has to be postponed for any reason, then the Meeting of Creditors shall be adjourned by the Proposal Trustee to such date, time and pursuant to such virtual parameters as determined by the Proposal Trustee.

### 4.5 Deemed Votes in Favour

Any Creditor holding a Proven Claim which is to be paid in full hereunder shall be conclusively deemed to vote in favour of this Proposal, unless and until such Creditor votes against the Proposal in accordance herewith and with the BIA. Creditors holding a Proven Claim that will be paid in full shall be entitled to vote in favour of the Proposal, and any Creditor so doing shall be counted as a Creditor for the purposes of calculating quorum.

#### 4.6 Votes by Related Persons

Related Persons may vote against but not in favour of the Proposal.

#### 4.7 Creditor Approval

In order to be approved, the Proposal must receive the affirmative vote of the Requisite Majority.

#### 4.8 Application for Court Approval

If approval by the Requisite Majority is obtained, the Proposal Trustee shall file with the Court an application for the Approval Order no later than five (5) Business Days following the Meeting of Creditors or such other date as the Court may order, which application shall be heard as soon as possible according to the procedure set out in Section 58 of the Act.

### **ARTICLE 5 — MODIFICATION OF PROPOSAL**

#### 5.1 Modifications

Subject to the consent of the Proposal Trustee, at any time prior to the Meeting of Creditors or at any time prior to the date to which the Meeting of Creditors is adjourned, if it is adjourned, the Debtor reserves the right at any time to file any modification, amendment or supplement of and to the Proposal, by way of amended proposal, and file such amended proposal with the Official Receiver as soon as practical, in which case any such amended proposal or proposals shall, for all purposes, be and be deemed to be part of and incorporated into the Proposal.

At the Meeting of Creditors, the Proposal Trustee shall provide all Creditors in attendance with details of any modifications or amendments of and to the Proposal prior to the vote being taken to approve the Proposal. After the Meeting of Creditors (and both prior to and subsequent to the issuance of the Approval Order) and subject to the consent of the Proposal Trustee, the Debtor may at any time and from time to time vary, amend, modify or supplement the Proposal if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Approval Order

### **ARTICLE 6 — CONDITIONS**

#### 6.1 Conditions Precedent to the Implementation of the Proposal

The implementation of the Proposal and distribution thereunder is subject to the satisfaction of the following conditions precedents:

- (a) The Approval Date has occurred; and,
- (b) The Payment Date has occurred.

## ARTICLE 7 — BINDING EFFECT

### 7.1 Binding Effect

On the Effective Date, this Proposal will become effective and binding on and enure to the benefit of the Debtor, the Directors and Officers and all Creditors affected by this Proposal and all other Persons named or referred to in, or subject to, this Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

### 7.2 Consent and Agreement

Without limiting the generality of Section 7.1, on the Effective Date, all Creditors shall be deemed to have consented and agreed to all of the provisions of the Proposal in its entirety. Each Creditor will be deemed to have agreed that, to the extent there is any conflict between the provisions of any agreement between it and the Debtor and the provisions of the Proposal, the provisions of the Proposal take precedence and priority.

## ARTICLE 8 — PROPOSAL TRUSTEE AND ADMINISTRATIVE COSTS

### 8.1 Proposal Trustee's Capacity

The Proposal Trustee is acting in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any obligations or liabilities in connection with the Proposal or in connection with the business or liabilities of the Debtor.

### 8.2 Administrative Costs

The Proposal Trustee's fees and disbursements, including, without limitation, the Proposal Trustee's legal costs, arising in connection with this Proposal and under the Act, shall be paid by the Debtor, as Professional Fees under this Proposal. The fees for the Proposal Trustee's services will be based on time spent by the Proposal Trustee and the various members of its staff at their respective billing rates plus any direct out of pocket expenses incurred. The Proposal Trustee's legal costs will be based on time spent by the Proposal Trustee's legal counsel and the various members of such legal counsel's staff at their respective billing rates plus any direct out of pocket expenses incurred. The Court shall review and approve the Proposal Trustee's fees and disbursements.

### 8.3 Indemnity

The Proposal Trustee shall be indemnified in full by the Debtor for all personal liability arising from fulfilling any duties or exercising any powers or duties conferred upon it by this Proposal or under the Act, except for any willful misconduct or gross negligence.

## ARTICLE 9 — INSPECTORS

9.1 At the Meeting of Creditors, the Creditors will be entitled but not required to appoint one or more, but not exceeding five, Inspectors, whose powers shall be as follows:

- (a) advising the Proposal Trustee in respect of such matters as may be referred to the Inspectors by the Proposal Trustee;
- (b) advising the Proposal Trustee concerning any dispute that may arise as to the validity of the Claims asserted in this Proposal;
- (c) exercising all powers given to the Inspectors of a bankrupt estate appointed pursuant to the provisions of the Act; and
- (d) altering or extending the time for payments to be made pursuant to this Proposal, but not the total amount paid.

The Inspectors shall not have liability to the Creditors or the Debtor for exercising any of the powers given to them under this Proposal or the Act.

## ARTICLE 10 — RELEASES

### 10.1 Proposal Releases

On the Effective Date, (i) the Debtor (ii) Links UK (iii) the Liquidators (whether in their capacity as liquidators of Links UK, as former administrators of Links UK or otherwise (iv) Teneo Restructuring Limited, and (v) the Proposal Trustee, and in the case of (i) through (v) each and every present and former shareholder, affiliate, subsidiary, director, officer (including the Directors and Officers), member, partner, employee, auditor, financial advisor, legal counsel and agent of any of the foregoing Persons (collectively, 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 claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature, including, for greater certainty, any Claim against the Debtor for indemnification by any Director or Officer, Links UK, or the Liquidators (whether in their capacity as liquidators of Links UK, as former administrators of Links UK or otherwise) based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, negligence, breach of fiduciary duty, dealing or other occurrence existing or taking place on or prior to the Effective Date that constitute or are in any way relating to, arising out of or in connection with any Claims, and any indemnification obligations with respect thereto, the business and affairs of the Debtor whenever or however conducted, the administration and/or management of the Debtor, the Proposal, or any document, instrument, matter or transaction



involving the Debtor taking place in connection with the Proposal (referred to collectively as the **"Released Claims"**), shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, all to the fullest extent permitted by governing law; provided that nothing herein will waive, discharge, release, cancel or bar (a) the right to enforce the Debtor's obligations under the Proposal, or (b) any D&O Claim that is not permitted to be released pursuant to section 50(14) of the Act.

#### 10.2 Release of D&O Claims

All Released D&O Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Effective Date. For greater certainty, any Claim of a Director or Officer against the Debtor for indemnification or contribution in respect of any D&O Claim shall be treated for all purposes under the Proposal as a Claim and will be compromised, released, discharged, cancelled and barred.

### ARTICLE 11 — GENERAL

#### 11.1 Reviewable Transactions

The provisions of Sections 95 to 101, inclusively, of the Act and any similar provision of any federal or provincial statute shall not apply to this Proposal.

#### 11.2 Further Assurances

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

#### 11.3 Governing Law

This Proposal will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

#### 11.4 Annulment

If the Proposal is annulled by an Order of the Court, all payments on account of Claims made pursuant to the terms of this Proposal will reduce the Claims of the applicable Creditors


#### 11.5 Report of the Proposal Trustee

The Proposal Trustee will prepare a report on the Proposal, which will be filed with the Official Receiver and the Court, and distributed to Creditors pursuant to the Act.

\* \* \* \* \*

**DATED** at the City of Toronto, in the Province of Ontario, this 15<sup>th</sup> day of August, 2022.

**LINKS OF LONDON (CANADA) LIMITED**

DocuSigned by:  
  
F86E1288858744A

Per: Amber Klaehn, Chief Executive Officer