

REFINANCING AND/OR INVESTMENT SOLICITATION PROCESS

Introduction

On May 17, 2016, **BEN MOSS JEWELLERS WESTERN CANADA LTD.** (“**BM**” or the “**Applicant**”) obtained an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act* (“**CCAA**”) from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). Pursuant to the Initial Order, the Court approved this Refinancing and/or Investment Solicitation Process (“**RISP**”).

The purpose of this RISP is to seek proposals for:

- i. a refinancing of all or part the Credit Facilities of the JSN Group (as defined below) under the Credit Agreement (a “**JSN Group Refinancing Proposal**”);
- ii. an equity investment in BM and/or JSN (as defined below) (a “**Reinvestment Proposal**”); and/or
- iii. a sale of all or a portion of the business and property of BM (a “**BM Sale Proposal**”, and together with a JSN Group Refinancing Proposal and a Reinvestment Proposal, the “**Potential Transactions**” and each a “**Potential Transaction**”)

from Qualified Bidders and to subsequently implement one or a combination of the Potential Transactions.

This RISP describes, among other things, the process by which interested parties and/or prospective bidders may evaluate and participate in the Potential Transactions, including: (a) the manner in which such parties may obtain preliminary information, execute NDAs and gain access or continue to have access to due diligence materials concerning the Potential Transactions; (b) the manner in which bidders and bids become Qualified Bidders and Qualified Bids, respectively, in respect of the Potential Transactions; (c) the process for the evaluation of bids received; (d) the process for the ultimate selection of a Successful Bidder; and (e) the process for obtaining such approvals (including the approval of the Court) as may be necessary or appropriate in respect of a Successful Bid (collectively, the “**Solicitation Process**”).

Capitalized terms used in this RISP and not otherwise defined have the meanings given to them in paragraph 1 below.

Defined Terms

1. The following capitalized terms have the following meanings when used in this RISP:

“**Affiliates**” has the meaning set out in the DIP Credit Agreement.

“**Approval Motion**” is defined in paragraph 36.

“**Business Day**” means a day (other than Saturday or Sunday) on which banks are generally open for business in Toronto, Ontario.

“**Business**” means the business of BM in the case of a BM Sale Proposal and the business of BM and JSN in the case of a JSN Group Refinancing Proposal or a Reinvestment Proposal, as the case may be.

“**Claims and Interests**” is defined in paragraph 9.

“**Confidential Information Memorandum/Memoranda**” is defined in paragraph 4.

“**Credit Agreement**” means the Credit Agreement among, *inter alia*, JSN and BM as borrowers and the Lender dated July 18, 2013.

“**Credit Facilities**” means the revolving credit facilities and three term loan credit facilities under the Credit Agreement.

“**CRO**” means FAAN Advisors Group Inc., in its capacity as Chief Restructuring Officer of JSN, JSN Jewellery UK Limited, 2373138 Ontario Inc., Always and Forever Family Collection Incorporated, GMJ Corporation, P.M.R. Inc. and BM.

“**Deposit**” is defined in paragraph 28(j).

“**DIP Agreement**” means the Super Priority DIP Credit Agreement dated May 16, 2016 for a debtor in possession financing facility among BM, as borrower, certain of its Affiliates, as guarantors, and the Lender, in the CCAA proceedings.

“**Final Bid**” is defined in paragraph 27.

“**Form of Purchase Agreement**” means the form of purchase and sale agreement to be developed by BM in consultation with the Monitor and provided to those Qualified Bidders that submitted a Qualified LOI in respect of a BM Sale Proposal.

“**JSN**” means J.S.N. Jewellery Inc.

“**JSN Group**” means, collectively, JSN, JSN Jewellery UK Limited, 2373138 Ontario Inc., Always and Forever Family Collection Incorporated, GMJ Corporation, Forever Jewellery Inc., P.M.R. Inc. and BM.

“**Known Potential Bidders**” is defined in paragraph 5.

“**Lender Claims**” means the aggregate amount owing to the Lender arising from or related to the Credit Agreement and the DIP Agreement relating to the JSN Group as determined by the Lender in its reasonable credit discretion, which shall include, without limitation, all accrued and unpaid principal, interest, default interest and all fees, costs, charges and expenses all as may be due and payable under the Credit Agreement and the DIP Credit Agreement and/or the other related ancillary documents.

“**Lender**” means Salus Capital Partners, LLC as administrative agent and collateral agent for the lenders under the Credit Agreement and the DIP Agreement.

“**LOI**” is defined in paragraph 14.

“**Monitor**” means Alvarez & Marsal Canada Inc.

“**NDA**” means a non-disclosure agreement in form and substance satisfactory to the Monitor and the CRO, which will inure to the benefit of that party or parties who ultimately complete and close a Successful Bid.

“**Outside Date**” means July 29, 2016, or such later date as may be agreed to by the Applicant and the Monitor, in consultation with the Lender.

“**Phase 1 LOI Deadline**” is defined in paragraph 16.

“**Phase 1 Data Room**” is defined in paragraph 15.

“**Phase 2**” is defined in paragraph 22.

“**Phase 2 Bid Deadline**” is defined in paragraph 27.

“**Phase 2 Data Room**” is defined in paragraph 26.

“**Potential Bidder**” is defined in paragraph 10.

“**Property**” means all of property, assets and undertakings relating to BM.

“**Qualified Bid**” means: an offer or combination of offers, in the form of a JSN Group Refinancing Proposal, a Reinvestment Proposal, and/or a BM Sale Proposal that the Monitor determines meets the requirements in paragraph 28 and is approved by the Lender.

“**Qualified Bidder**” is defined in paragraph 11.

“**Qualified LOI**” is defined in paragraph 17.

“**Successful Bid**” is defined in paragraph 33.

“**Teaser Letter**” is defined in paragraph 5.

Supervision of the RISP

2. The Initial Order and the RISP shall exclusively govern the process for soliciting and selecting bids in connection with all Potential Transactions.
3. The Monitor will supervise, in all respects, the RISP and any Potential Transactions. BM is required to assist and support the efforts of the Monitor as provided for herein and in addition, each of the members of the JSN Group have also agreed to provide similar support and assistance. In the event that there is disagreement or clarification required as to the interpretation or application of this RISP or the responsibilities of the Monitor hereunder, the Court will have jurisdiction to hear such matters and provide advice and directions, upon application of the Monitor, BM, the other members of the JSN Group or the Lender.

For the avoidance of doubt, with respect to the Monitor's role in regards to the RISP, the terms of the Initial Order concerning the Monitor's rights, duties and protections in this CCAA proceeding shall govern.

Refinancing, Investment and Sale Opportunity

4. Two separate confidential information memoranda (the "**Confidential Information Memoranda**") describing the opportunities to: (i) invest in BM and/or JSN, and/or refinance all or part of the Credit Facilities of the JSN Group (the "**Confidential Refinancing Information Memorandum**") and (ii) acquire all or a portion of the Property (the "**Confidential Sale Information Memorandum**"), will be made available to Qualified Bidders. The Monitor will work with the relevant members of the JSN Group to prepare the Confidential Information Memoranda. Prior to being provided with either of the Confidential Information Memoranda, Qualified Bidders shall be required to declare which Potential Transaction they wish to pursue and will be provided with the corresponding Confidential Information Memoranda. Qualified Bidders may consider more than one Potential Transaction if, in the discretion of the Monitor, they have the capabilities to do so and the Lender approves.

Solicitation of Interest and Publication Notice

5. The Monitor (with the assistance of BM, the other members of the JSN Group, the Lender and their respective advisors) will prepare a list of parties that may have interest in Potential Transactions (the "**Known Potential Bidders**"). Concurrently, the Monitor, BM, the other members of the JSN Group and their respective advisors, have prepared initial offering summaries (the "**Teaser Letters**") notifying Known Potential Bidders of the existence of the Solicitation Process and inviting the Known Potential Bidders to express their interest in accordance with the terms of the RISP.
6. Commencing upon the granting of the Initial Order, BM and the other members of the JSN Group, under the supervision of the Monitor, shall distribute the Teaser Letters to the Known Potential Bidders, as well as a copy of the RISP and a draft form of NDA.
7. As soon as reasonably practicable after the granting of the Initial Order, but in any event no more than 2 Business Days after the issuance of the Initial Order, the Monitor will cause a notice of the RISP and such other relevant information which the Monitor, in consultation with the CRO and the Lender, considers appropriate, to be posted to a website maintained by the Monitor.

"As Is, Where Is"

8. All Potential Transactions will be on an "*as is, where is*" basis and without surviving representations or warranties of any kind, nature, or description by the Monitor, BM, any member of the JSN Group, the Lender or any of their respective agents or estates, except to the extent set forth in the definitive sale, investment or refinancing agreement executed with a Successful Bidder.

Free Of Any And All Claims and Interests

9. In the event of a sale of all or a portion of the Property, all of the rights, title and interests of BM in and to the Property (but not the Lender's interests in the proceeds of sale) to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (collectively, the "**Claims and Interests**") pursuant to such Court orders as may be desirable, except to the extent otherwise set forth in the definitive sale, investment or refinancing agreement executed with a Successful Bidder.

Participation Requirements

10. In order to participate in the RISP, each party (a "**Potential Bidder**") must deliver to the Monitor at the address specified in **Schedule "A"** hereto (including by email):
- (a) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, full disclosure of the principals of the Potential Bidder and which Potential Transaction the Potential Bidder wishes to pursue; and
 - (b) an executed NDA which shall include, among other things, a "standstill" provision and provisions whereby the Potential Bidder agrees to accept and be bound by the provisions contained herein.
11. A Potential Bidder that has executed an NDA, and has delivered the documents and information described above, and that the Monitor in its reasonable business judgement, in consultation with the CRO and the Lender, determines is likely, based on the availability of financing, experience and other considerations, to be able to consummate a Potential Transaction on or before the Outside Date will be deemed a "**Qualified Bidder**", and will be promptly notified of such determination by the Monitor. In no event shall the Lender constitute a Qualified Bidder.
12. A bid may, at the option of the Qualified Bidder and subject to the approval of the Monitor and the Lender pursuant to section 4 herein, involve, among other things, one or more of the following: a JSN Group Refinancing Proposal, a Reinvestment Proposal, or a BM Sale Proposal (which, if appropriate, may be achieved or implemented through a plan of compromise or arrangement pursuant to the CCAA or any corporate or other applicable legislation).
13. At any time during Phase 1 or Phase 2, the Monitor may, in its reasonable business judgment, and with the consent of the Lender, recommend to the CRO that a Qualified Bidder be eliminated from the RISP. If the CRO accepts the Monitor's recommendation, such bidder will be eliminated from the RISP and will no longer be a Qualified Bidder for the purposes of this RISP. If the CRO does not accept the Monitor's recommendation, the Monitor will seek advice and directions of the Court.

RISP – PHASE 1

Phase 1 Initial Timing

14. For a period of 30 days following the date of the Initial Order (“**Phase 1**”), the Monitor (with the assistance of BM and the JSN Group in accordance with this RISP) will solicit non-binding indications of interest in the form of non-binding letters of intent (“**LOIs**”) from Qualified Bidders who may be interested in any of the Potential Transactions.

Due Diligence

15. The Monitor will provide each Qualified Bidder with a copy of the applicable Confidential Information Memorandum and access to an electronic data room of preliminary due diligence information for Qualified Bidders (the “**Phase 1 Data Room**”). The Monitor, BM, members of the JSN Group and the Lender make no representation or warranty as to the information (i) contained in the Confidential Information Memoranda or either the Phase 1 Data Room or the Phase 2 Data Room (as defined below), (ii) provided through the due diligence process in Phase 1 or Phase 2 or (iii) otherwise made available, except to the extent expressly contemplated in any definitive sale, investment or refinancing agreement with a Successful Bidder executed and delivered by BM or other members of the JSN Group, as applicable.

Non-Binding Letters of Intent from Qualified Bidders

16. A Qualified Bidder that wishes to pursue a Potential Transaction must deliver an LOI to the Monitor at the addresses specified in **Schedule “A”** hereto (including by email), so as to be received by it not later than 5:00 PM (Eastern Daylight Time) on or before 30 days following the date of the Initial Order, unless such day is not a Business Day, in which case, on the next Business Day (the “**Phase 1 LOI Deadline**”). The Monitor shall deliver all submitted LOIs to the Lender and the CRO.
17. An LOI so submitted will be considered a qualified LOI (a “**Qualified LOI**”) only if:
 - (a) the LOI is submitted on or before the Phase 1 LOI Deadline by a Qualified Bidder;
 - (b) it contains an indication of whether the Qualified Bidder’s LOI is a:
 - (i) JSN Group Refinancing Proposal;
 - (ii) Reinvestment Proposal; and/or a
 - (iii) BM Sale Proposal.
 - (c) in the case of a BM Sale Proposal, it identifies or contains the following:
 - (i) the ‘headline’ purchase price range in Canadian dollars, including details of any liabilities to be assumed by the Qualified Bidder;

- (ii) the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - (iii) specific indication of the sources of capital for the Qualified Bidder and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit-quality support or enhancement that will allow the Monitor, the CRO, the Lender and each of their respective advisors to make a reasonable business or professional judgment as to the Qualified Bidder's financial or other capabilities to consummate the transaction;
 - (iv) the structure and financing of the transaction (including, but not limited to, the sources of financing of the purchase price, preliminary evidence of the availability of such financing, steps necessary and associated timing to obtain such financing and any related contingencies, as applicable);
 - (v) any anticipated corporate, unit holder, shareholder, internal or regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - (vi) specific statements concerning the treatment of the operations of BM, including but not limited to employees, real estate leases and supplier relationships;
 - (vii) specific additional due diligence required to be conducted during Phase 2, if any;
 - (viii) any assumptions with respect to the Business' working capital requirements which impact the BM Sale Proposal;
 - (ix) all conditions to closing that the Qualified Bidder may wish to impose; and
 - (x) any other terms or conditions of the BM Sale Proposal which the Qualified Bidder believes are material to the transaction;
- (d) in the case of a Reinvestment Proposal, it identifies the following:
- (i) a detailed description of the structure of the transaction including a preliminary estimate of its sources and uses;
 - (ii) the aggregate amount of equity and debt investment to be made in the Business in Canadian dollars (including the sources of such capital, preliminary evidence of the availability of such capital and steps necessary and associated timing to obtain the capital and any related contingencies, as applicable);
 - (iii) the underlying assumptions regarding the pro forma capital structure (including the form and amount of anticipated equity and/or debt levels,

- “leverage ratios”, cashflow levels, debt service fees, interest or dividend rates, borrowing base calculations, amortization, voting rights or other protective provisions (as applicable), redemption, prepayment or repayment attributes and any other material attributes of the investment);
- (iv) equity, if any, to be allocated to the secured and unsecured creditors of BM and/or JSN, as applicable;
 - (v) specific indication of the sources of capital for the Qualified Bidder and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit-quality support or enhancement that will allow the Monitor, the CRO and the Lender and each of their respective advisors to make a reasonable business or professional judgment as to the Qualified Bidder’s financial or other capabilities to consummate the transaction
 - (vi) any anticipated corporate, unitholder, shareholder, internal or regulatory approvals required to close the transaction, the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - (vii) specific statements concerning the treatment of the operations of BM and/or JSN, as applicable, including but not limited to employees, real estate leases and supplier relationships;
 - (viii) specific additional due diligence required to be conducted during Phase 2, if any;
 - (ix) all conditions to closing that the Qualified Bidder may wish to impose; and
 - (x) any other terms or conditions of the Reinvestment Proposal which the Qualified Bidder believes are material to the transaction;
- (e) in the case of a JSN Group Refinancing Proposal, it identifies the following:
- (i) a detailed description of the structure of the transaction, including whether the JSN Group Refinancing Proposal applies to all or part of the Credit Facilities, including a preliminary estimate of its sources and uses;
 - (ii) the aggregate amount of debt to be refinanced in Canadian dollars (including the sources of such capital, preliminary evidence of the availability of such capital and steps necessary and associated timing to obtain the capital and any related contingencies, as applicable);
 - (iii) the underlying assumptions regarding the refinancing (including “leverage ratios”, cashflow levels, debt service fees, interest rates, borrowing base calculations, amortization, redemption, prepayment or repayment attributes and any other material attributes of the investment);

- (iv) specific indication of the sources of capital for the Qualified Bidder and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit-quality support or enhancement that will allow the Monitor, the CRO and the Lender and each of their respective advisors to make a reasonable business or professional judgment as to the Qualified Bidder's financial or other capabilities to consummate the transaction;
 - (v) any anticipated corporate, unitholder, shareholder, internal or regulatory approvals required to close the transaction, the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - (vi) specific additional due diligence required to be conducted during Phase 2, if any;
 - (vii) all conditions to closing that the Qualified Bidder may wish to impose; and
 - (viii) any other terms or conditions of the JSN Group Refinancing Proposal which the Qualified Bidder believes are material to the transaction;
- (f) in the case of any Potential Transaction, it contains such other information as reasonably requested by the Monitor or the Lender, in consultation with the CRO; and
- (g) the purchase price or funds to be invested or refinanced, as assessed pursuant to paragraph 17 hereof, are in an amount that is deemed by the Monitor, exercising its reasonable business judgment, in consultation with the CRO, and with approval of the Lender, to be sufficient, when considered in addition with all of the factors in paragraph 17 hereof, to be a Qualified LOI.
18. The Monitor, in consultation with the CRO, and with the Lender's consent, may waive compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified LOI. For the avoidance of doubt, the completion of any Potential Transaction shall be subject to the approval of the Court (to the extent that the Court has jurisdiction to ratify the Potential Transaction) and the requirement of approval of the Court may not be waived.

Assessment of Qualified LOIs and Continuation or Termination of RISP

19. Within 3 Business Days following the Phase 1 LOI Deadline, or such later date as may be determined by the Monitor, with the Lender's consent, the Monitor will, in consultation with the CRO and the Lender, assess the Qualified LOIs received during Phase 1, if any, and will determine whether there is a reasonable prospect of obtaining a Qualified Bid. For the purpose of such consultations and evaluations, the Monitor or the Lender, in consultation with the CRO, may request clarification of the terms of Qualified LOIs.
20. In assessing the Qualified LOIs, the Monitor, following consultation with the CRO and the Lender, will consider, among other things, the following:

- (a) the form and amount of consideration being offered, including any purchase price adjustments and/or any non-cash consideration;
 - (b) the demonstrated financial capability of the Qualified Bidder to consummate the proposed transaction;
 - (c) the conditions to closing of the proposed transaction; and
 - (d) the estimated time required to complete the proposed transaction and whether, in the Monitor's reasonable business judgment, it is reasonably likely to close on or before the Outside Date.
21. If one or more Qualified LOIs are received, the Monitor, exercising its reasonable business judgment and following consultation with the Lender, will, if appropriate to do so, recommend to the CRO that the RISP should continue into Phase 2 pursuant to these RISP procedures for a further period of time as agreed upon between the CRO and the Lender.
 22. If no Potential Transaction proposal is a Qualified LOI, the Monitor will have the discretion, subject to the Lender's approval, to continue the RISP into Phase 2 in accordance with these RISP procedures, if in its reasonable business judgment, the Monitor believes that in continuing into Phase 2, there is a reasonable prospect that one or more Potential Transaction proposals may become Qualified Bids.
 23. At any time during Phase 2, the Monitor, in consultation with the CRO and the consent of the Lender, may extend Phase 2 for any period of time deemed appropriate.
 24. If the Monitor, after consultation with the CRO and the Lender, determines that (a) no Qualified LOI has been received, and (b) there is no reasonable prospect of a Qualified LOI resulting in a Qualified Bid and the RISP moving to Phase 2, (i) the Monitor, BM, another member of the JSN Group or the Lender may apply to the Court for further advice and directions including with respect to the termination of the RISP; (ii) the Lender may terminate the RISP; and/or (iii) the Lender may apply to the Court for approval of a bid.
 25. If: (a) one or more Qualified LOIs are received; and (b) the Monitor, in its reasonable business judgment, in consultation with the CRO and the Lender, determines that another Qualified Bidder's LOI has a reasonable prospect of becoming a Qualified Bid, the Monitor, with the consent of the Lender, may designate such LOI as a Qualified LOI.

PHASE 2

Due Diligence

26. During Phase 2, each Qualified Bidder with a Qualified LOI that is not eliminated from the RISP will be granted further access to such due diligence materials and information relating to the Property, the Business and the Credit Facilities as the Monitor, in its reasonable business judgment, determines is appropriate, including information or materials reasonably requested by Qualified Bidders, on-site presentation(s) by senior management of the JSN Group and the Monitor, facility tours and access to a Phase 2 data room (the

“**Phase 2 Data Room**”). In addition, selected due diligence materials may be withheld from certain Phase 2 Qualified Bidders if the Monitor, determines such information to represent proprietary or sensitive competitive information.

Final Bids from Qualified Bidders

27. A Qualified Bidder that is not eliminated from the RISP and that wishes to pursue a Potential Transaction must deliver a final binding proposal (the “**Final Bid**”):

- (a) in the case of a BM Sale Proposal, a duly authorized and executed purchase agreement based on the Form of Purchase Agreement and accompanied by a blackline to the Form of Purchase Agreement showing amendments and modifications made thereto, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the bidder with all exhibits and schedules thereto;
- (b) in the case of a Reinvestment Proposal, a duly authorized and executed investment agreement in form and substance acceptable to the Monitor and the Lender, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the bidder with all exhibits and schedules thereto; and/or
- (c) in the case of a JSN Group Refinancing Proposal, a duly authorized and executed refinancing agreement in form and substance acceptable to the Monitor and the Lender, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the bidder with all exhibits and schedules thereto;

to the Monitor at the address specified in **Schedule “A”** hereto (including by email) so as to be received by it not later than 5:00 pm (Eastern Daylight Time) on a date to be determined by the Monitor, the Applicant and the Lender (the “**Phase 2 Bid Deadline**”). The Monitor shall deliver all submitted Final Bids to the Lender and the CRO.

28. A Final Bid will be considered a Qualified Bid only if (a) it is submitted by a Qualified Bidder who submitted a Qualified LOI on or before the Phase 1 LOI Deadline; and (b) the Final Bid complies with, among other things, the following requirements:

- (a) it includes a letter stating that the bidder’s offer is irrevocable until the earlier of (a) the approval by the Court of a Successful Bid and (b) 10 days following the Phase 2 Bid Deadline, provided that if such bidder is selected as the Successful Bidder, its offer will remain irrevocable until the closing of the transaction with such Successful Bidder;
- (b) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Monitor, in consultation with the CRO and with the Lender’s approval, to make a reasonable determination as to the Qualified Bidder’s financial and other capabilities to consummate the transaction contemplated by its Final Bid;
- (c) in respect of a BM Sale Proposal, it details:

- (i) the Property to be included and any Property to be divested or disclaimed prior to closing and including, for greater certainty, the contracts and leases the bidder wishes to assume and reject with particularity, contains full details of the bidder's proposal for the treatment of related cure costs (and provides adequate assurance of future performance thereunder); and it identifies with particularity any executory contract or unexpired lease the assumption and assignment of which is a condition to closing;
 - (ii) any liabilities to be assumed by the Qualified Bidder; and
 - (iii) the treatment of working capital;
- (d) it includes full details of the proposed number of employees of the Applicant who will become employees of the bidder (in the case of a BM Sale Proposal) or shall remain as employees of the Applicant and/or JSN, as applicable, (in the case of a Reinvestment Proposal) and, in each case, provisions setting out the terms and conditions of employment for continuing employees;
- (e) it is not conditional upon, among other things:
- (i) the outcome of unperformed due diligence by the Qualified Bidder; or
 - (ii) obtaining financing;
- (f) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of such participation;
- (g) it outlines any anticipated regulatory and other approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (h) it provides a timeline to closing with critical milestones;
- (i) it includes evidence, in form and substance reasonably satisfactory to the Monitor and the CRO, of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid;
- (j) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of the Monitor, in trust, in an amount equal to not less than 10% of the purchase price for a BM Sale Proposal, to be held and dealt with in accordance with the terms of this RISP;
- (k) it contains other information reasonably requested by the Monitor, the CRO and/or the Lender;
- (l) it is received by the Phase 2 Bid Deadline;

- (m) in the case of a BM Sale Proposal, it includes an acknowledgement and representation that the bidder: (a) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; and (b) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase and sale agreement; and
 - (n) in the case of a JSN Group Refinancing Proposal or a Reinvestment Proposal, it includes an acknowledgement and representation that the bidder: (a) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid; and (b) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Business or the completeness of any information provided in connection therewith, except as expressly stated in the investment or refinancing agreement.
29. The Monitor, in consultation with the CRO and with the approval of the Lender, may waive compliance with any one or more of the requirements specified herein and deem such Final Bids to be Qualified Bids.

Evaluation of Qualified Bids

30. The Monitor, in consultation with the CRO and the Lender, will review each Qualified Bid as set forth herein. For the purpose of such consultations and evaluations, the Monitor may request clarification of the terms of any Final Bid.
31. Evaluation criteria with respect to a BM Sale Proposal may include, but are not limited to items such as: (a) the ‘headline’ purchase price and estimated net proceeds (including assumed liabilities and other obligations to be performed by the bidder); (b) the proposed treatment of working capital; (c) the firm, irrevocable commitment for financing the transaction; (d) the claims likely to be created by such bid in relation to other bids; (e) the counterparties to the transaction; (f) the terms of the proposed transaction documents; (g) other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction; (h) planned treatment of stakeholders; (i) the assets included or excluded from the bid; (j) proposed treatment of the employees; (k) any transition services required from the Applicant post-closing and any related restructuring costs; (l) the likelihood and timing of consummating the transaction; and (m) the likelihood of the transaction resulting in the full repayment of the Lender Claims.
32. Evaluation criteria with respect to a JSN Group Refinancing Proposal or Reinvestment Proposal may include, but are not limited to items such as: (a) the amount of equity and debt investment and the proposed sources and uses of such capital and the estimated net proceeds; (b) the firm, irrevocable commitment for financing the transaction; (c) the debt

to equity structure post-closing; (d) the counterparties to the transaction; (e) the terms of the proposed transaction documents; (f) other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction); (g) planned treatment of stakeholders; (h) proposed treatment of the employees (in the case of a Reinvestment Proposal); (i) the likelihood and timing of consummating the transaction; and (j) the likelihood of the transaction resulting in the full repayment of the Lender Claims.

33. If one or more Qualified Bids is received, the Monitor, exercising its reasonable business judgment and with approval of the Lender, may recommend to the CRO that the most favourable Qualified Bid be selected (or that more than one of the most favourable Qualified Bids be selected and aggregated) and that the Monitor, the CRO and their advisors negotiate and settle the terms of definitive closing documents (the “**Successful Bid(s)**”).
34. The applicable member(s) of the JSN Group shall have no obligation to enter into a Successful Bid, and reserves the right, after consultation with the Monitor and the Lender to reject any or all Qualified Bids.

Phase 2 Guidelines

35. If the Monitor, after consultation with the CRO and the Lender, determines that no Qualified Bid has been received at the end of Phase 2, (a) any of the Lender, the Monitor or any member of the JSN Group may apply to the Court for further advice and directions, including with respect to the termination of the RISP; (b) the Lender may terminate the RISP; and/or (c) the Lender may apply to the Court for approval of a bid.

Approval Motion for Successful Bid(s)

36. The Applicant will apply to the Court (the “**Approval Motion**”) for an order approving the Successful Bid(s) and authorizing BM to enter into any and all necessary agreements with respect to the Successful Bid(s) and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid(s).
37. The Approval Motion will be held on a date to be scheduled by the Court upon application by the Applicant. The Approval Motion may be adjourned or rescheduled by the Applicant or the Monitor, on consent of the Lender, without further notice by an announcement of the adjourned date at the Approval Motion, provided that in no circumstance shall the Approval Motion be adjourned or rescheduled beyond the Outside Date.
38. All Qualified Bids (other than the Successful Bid(s)) will be deemed rejected on the date of approval of the Successful Bid(s) by the Court.

OTHER TERMS

No Derogation

39. Nothing in this RISP shall affect the Lender's rights to exercise contractual or legal remedies, or to enter into, and seek Court approval for, any transaction with or relating to BM or any of its Affiliates or the Property, subject to the applicable stay provisions of the Initial Order.

Deposits

40. All Deposits will be retained by the Monitor and invested in an interest bearing trust account. If there is a Successful Bid, the Deposit (plus accrued interest) paid by the Successful Bidder whose bid is approved at the Approval Motion will be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposits (plus applicable interest) of Qualified Bidders not selected as the Successful Bidder will be returned to such bidders within 5 Business Days of the date upon which the Successful Bid is approved by the Court. If there is no Successful Bid subject to the following paragraph, all Deposits (plus applicable interest) will be returned to the bidders within 5 Business Days of the date upon which the RISP is terminated in accordance with these procedures.
41. If a Successful Bidder breaches its obligations under the terms of the RISP, its Deposit plus interest shall be forfeited as liquidated damages and not as a penalty.

Approvals

42. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.

No Amendment

43. There will be no amendments to this RISP without the consent of the Monitor and the Lender (following consultation with the CRO) or, in the absence of consent, the approval of the Court.
44. This RISP does not, and will not be interpreted to, create any contractual or other legal relationship between BM, any member of the JSN Group and any Qualified Bidder, other than as specifically set forth in a definitive agreement that may be signed with BM or a member of the JSN Group, as applicable. At any time during the RISP, the Monitor may, following consultation with the CRO, upon reasonable prior notice to the Lender, apply to the Court for advice and directions with respect to the discharge of its power and duties hereunder.

SCHEDULE "A"
ADDRESS FOR DELIVERIES AND NOTICES

Jamie Belcher

Senior Director

Alvarez & Marsal Canada

Royal Bank Plaza, South Tower

200 Bay Street, Suite 2900

Toronto, ON, Canada M5J 2J1

Email: jbelcher@alvarezandmarsal.com