

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

**IN THE MATTER OF THE PROPOSAL OF NABIS HOLDINGS INC.  
PURSUANT TO THE *BANKRUPTCY AND INSOLVENCY ACT***

**AMENDED PROPOSAL**

**WHEREAS**, upon delivery hereof, Nabis Holdings Inc. ("**Nabis**" or the "**Company**") has initiated proceedings under the *Bankruptcy and Insolvency Act* (Canada) R.S.C. 1985, B-3 as amended (the "**BIA**"), pursuant to Section 50(1) thereof;

**NOW THEREFORE** the Company hereby submits the following amended proposal under the BIA to its creditors (the "**Proposal**").

**ARTICLE I  
DEFINITIONS**

**1.01 Definitions**

In this Proposal:

"**Administrative Fees and Expenses**" means the fees, expenses and disbursements incurred by or on behalf of the Proposal Trustee, the solicitors for the Proposal Trustee, the solicitors of the Company and the solicitors to the special committee of the board of the Company both before and after the filing by the Company of the Proposal, relating to this Proposal;

"**Affected Creditor Claim**" means a Proven Claim, other than an Unaffected Claim;

"**Affected Creditor Pro Rata Share**" means, in respect of an Affected Creditor, (i) the face value of the Affected Creditor Claim held by that Affected Creditor as at the Record Date, divided by (ii) the aggregate principal amount of all Affected Creditor Claims as at the Record Date;

"**Affected Creditors**" means all Persons having Affected Creditor Claims, but only with respect to and to the extent of such Affected Creditor Claims;

"**Affected Creditors Class**" means the class consisting of the Affected Creditors established under and for the purposes of this Proposal, including voting in respect thereof;

"**Approval Order**" means an order of the Court approving this Proposal;

"**BIA**" has the meaning ascribed to it in the recitals;

"**BIA Proceeding**" means the proceeding commenced by the Company under the BIA;

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;

"**CDS**" means CDS Clearing and Depository Services Inc. and its successors and assigns;

"**Claim**" means any right or claim of any Person against the Company in connection with any indebtedness, liability, or obligation of any kind whatsoever in existence on the Filing Date (or which has arisen after the Filing Date as a result of the termination or repudiation by the Company on or after the Filing Date of any lease or executory contract), and any interest accrued thereon to and including the Filing Date and costs payable in respect thereof, 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 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 whether or not such indebtedness, liability or obligation 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 any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against the Company with respect to any matter, cause or chose in action, but subject to any counterclaim, set-off or right of compensation in favour of the Company which may exist, whether existing at present or commenced in the future, which indebtedness, liability or obligation (A) is based in whole or in part on facts that existed prior to the Filing Date, (B) relates to a period of time prior to the Filing Date, or (C) is a right or claim of any kind that would be a claim provable in bankruptcy within the meaning of the BIA;

"**Common Shares**" means common shares in the capital of Nabis;

"**Company**" has the meaning ascribed to it in the recitals;

"**Conditions Precedent**" shall have the meaning given to such term in section 6.02 hereof;

"**Consenting Debentureholder**" means the Debentureholders party to the Debentureholder Support Agreement at the applicable time;

"**Consenting Debentureholder Advisor**" means Bennett Jones LLP, in its capacity as legal counsel to the Consenting Debentureholders;

"**Convenience Creditor**" means an Affected Creditor with a Convenience Creditor Claim, provided that a Debentureholder may not be a Convenience Creditor;

"**Convenience Creditor Claim**" means (a) any Proven Claims of an Affected Creditor in an amount less than or equal to \$500.00, and (b) any Proven Claim of an Affected Creditor in an amount greater than \$500.00 if the relevant Creditor has made a valid election for the purposes of this Proposal in accordance with this Proposal prior to the Convenience Creditor Election Deadline;

"**Convenience Creditor Consideration**" has the meaning ascribed to it in section 3.04 hereof;

**"Convenience Creditor Election Deadline"** means 5:00 p.m. (Toronto time) on December 11, 2020;

**"Convenience Creditor Election Form"** means the form, substantially in the form attached hereto as Schedule "B", pursuant to which an Affected Creditor that is not a Convenience Creditor may elect to be treated as a Convenience Creditor, in accordance with Section 3.04 herein;

**"Convertible Debentures"** means the 8.00% convertible debentures due 2022 issued by Nabis pursuant to the Debenture Indenture;

**"Court"** means the Ontario Superior Court of Justice (Commercial List);

**"Court Approval Date"** means the date upon which the Court makes the Approval Order;

**"Creditors' Meeting"** means the meeting of the Affected Creditors called for the purpose of considering and voting upon the Proposal;

**"Creditors' Meeting Date"** means such date and time for the Creditors' Meeting as may be called by the Proposal Trustee, but in any event shall be no later than twenty-one (21) days following the filing of this Proposal with the Official Receiver;

**"Debentureholder"** means a holder of the Convertible Debentures as of the Record Date;

**"Debentureholder Claim"** means all outstanding liabilities, duties and obligations, including without limitation principal and interest, any make whole payment, any prepayment, redemption or similar premiums, reimbursement obligations, fees, penalties, damages, guarantees, indemnities, costs, expenses or otherwise, and any other liabilities, duties or obligations, whether direct or indirect, absolute or contingent, known or unknown, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Debenture Documents, owing by any Person (whether as issuer, guarantor or otherwise) as at the Plan Implementation Date;

**"Debenture Documents"** means (i) the Debenture Indenture, (ii) the Convertible Debentures, and (iii) all documentation relating to the foregoing.

**"Debenture Indenture"** means indenture dated as of March 26, 2019 among Nabis, as issuer, and the Debenture Trustee, pursuant to which the Convertible Debentures are governed, as amended, modified or supplemented from time to time;

**"Debenture Trustee"** means Odyssey Trust Company, in its capacity as trustee in respect of the Convertible Debentures;

**"Debentureholder Support Agreement"** means the support agreement (including all schedules thereto) among Nabis and the Debentureholders party thereto dated as of November 23, 2020, as it may be amended, modified and/or supplemented from time to time;

**"Disputed Claim"** means any Affected Creditor Claim which has not been finally resolved as a Proven Claim in accordance with the BIA as at the Proposal Implementation Date;

**"Distributions"** means the distributions to Affected Creditors contemplated by Section 2.02;

**"Effective Time"** means 12:00 p.m. (Toronto time) on the Proposal Implementation Date;

**"Equity Claim"** has the meaning ascribed to it in Section 2 of the BIA;

**"Existing Equity"** means the Common Shares, preferred shares, warrants (including the Warrants), stock options and any other similar equity-type securities in the capital of the Company;

**"Existing Equityholders"** means the holders of the Existing Equity immediately prior to the Effective Time;

**"Filing Date"** means November 23, 2020, being the date upon which this Proposal was filed by the Company with the Official Receiver;

**"Governmental Authority"** 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: (i) 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 (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

**"Guarantors"** means, collectively, Nabis (CAN) Holdings Corp., Nabis Technologies Corp., and all other present and future direct and indirect subsidiaries of Nabis;

**"Implementation"** means the completion and implementation of the transactions contemplated by this Proposal;

**"Implementation Certificate"** has the meaning ascribed to it in Section 6.02(k);

**"Intermediary"** means a broker, custodian, investment dealer, nominee, bank, trust company or other intermediary;

**"Nabis"** has the meaning ascribed thereto in the recitals;

**"New Common Shares"** means 3,700,000 of newly-issued Common Shares issued on the Proposal Implementation Date pursuant to this Proposal, which will represent 100% of the aggregate Common Shares issued and outstanding immediately following the implementation of this Proposal;

**"New Directors"** means such individuals to be appointed to the board of directors of Nabis on the Proposal Implementation Date as determined by the Consenting Debentureholders;

**"New Senior Unsecured Notes"** means new senior unsecured notes in aggregate amount of \$23,000,000 due 2022 to be issued by Nabis on the Proposal Implementation Date substantially on the terms set out in Schedule A hereto, including (i) a maturity date of two years from the date of issuance, (ii) quarterly interest payments on February 15, May 15, August 15 and November 15 at an annual interest rate of 5.3%, and (iii) such other terms and conditions as agreed to by Nabis and the Consenting Debentureholders, each acting reasonably;

**"New Senior Unsecured Notes Indenture"** means the indenture to be entered into among Nabis, as issuer, and the New Senior Unsecured Notes Trustee, substantially on the terms set out in Schedule A hereto (or such other terms and conditions as agreed to by Nabis and the Consenting Debentureholders, each acting reasonably), pursuant to which the New Senior Unsecured Notes will be governed;

**"New Senior Unsecured Notes Trustee"** means Odyssey Trust Company, or such indenture trustee as may be appointed in respect of the New Senior Unsecured Notes with the consent of the Consenting Debentureholders;

**"Official Receiver"** shall have the meaning ascribed thereto in the BIA;

**"Other Debentureholder Advisors"** means, collectively, Groia & Company LLP, Dickinson Wright LLP, Conant Law Firm, PLC, Langstaff & Company Ltd., Torkin Manes LLP and such other advisors as were engaged by Caravel Capital Investments Inc. in connection with the Debentures;

**"Participant Holder"** has the meaning ascribed to it in Section 3.04 herein;

**"Person"** means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority and a natural person in such person's capacity as trustee, executor, administrator or other legal representative;

**"Preferred Claim"** means a Claim enumerated in Section 136(1) of the BIA;

**"Preferred Creditor"** means the Person holding a Preferred Claim, with respect to and to the extent of such Preferred Claim;

**"Proposal"** means this Proposal of the Company, and any amendments, modifications and/or supplements hereto made in accordance with the terms hereof;

**"Proposal Implementation Date"** means the date on which Implementation occurs;

**"Proposal Resolution"** means the resolution to be considered at the Creditors' Meeting authorizing, adopting and approving, with or without variation, the Proposal;

**"Proposal Trustee"** means KSV Restructuring Inc. in its capacity as trustee in respect of this Proposal, or its duly appointed successor;

**"Proposal Trustee's Website"** means the following website: [www.ksvadvisory.com/insolvency-cases/case/nabis-holdings](http://www.ksvadvisory.com/insolvency-cases/case/nabis-holdings);

**"Proven Claim"** means in respect of a creditor, the amount of a Claim as finally determined in accordance with the provisions of the BIA;

**"Record Date"** means 5:00 p.m. on the date that is five (5) Business Days prior to the Proposal Implementation Date;

**"Released Claims"** means, collectively, the matters that are subject to release and discharge pursuant to Section 5.01;

**"Released Parties"** means, collectively, (i) the Company, (ii) each affiliate or subsidiary of the Company; (iii) the Consenting Debentureholders, (iv) the Proposal Trustee, and (v) each of the foregoing Persons' respective former and current officers, directors, principals, members, affiliates, limited partners, general partners, managed accounts or funds, fund advisors, employees, financial and other advisors, legal counsel, including legal counsel to the special committee of the Company's board and agents, each in their capacity as such;

**"Required Majority"** means an affirmative vote of a majority in number and two-thirds in value of all Proven Claims in the Affected Creditors Class entitled to vote, who are present and voting at the Creditors' Meeting (whether online, in-person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA;

**"Superintendent's Levy"** means the levy payable to the Superintendent of Bankruptcy pursuant to sections 60(4) and 147 of the BIA;

**"Unaffected Claim"** means:

- (a) the Administrative Fees and Expenses; and
- (b) such other Claims as the Company and Consenting Debentureholders may agree with the consent of the Proposal Trustee;

**"Unaffected Creditor"** means a creditor holding an Unaffected Claim, with respect to and to the extent of such Unaffected Claim;

**"Undeliverable Distributions"** means distributions to Proven Creditors that are returned as undeliverable;

**"Warrants"** means warrants to acquire common shares of the Company issued pursuant to a warrant indenture dated March 26, 2019.

## **1.02 Date for Any Action**

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

### **1.03 Time**

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

### **1.04 Statutory References**

Except as otherwise provided herein, any reference in this Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

### **1.05 Successors and Assigns**

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

### **1.06 Currency**

Unless otherwise stated herein, all references to currency and to "\$" in the Proposal are to lawful money of Canada.

### **1.07 Articles of Reference**

The terms "hereof", "hereunder", "herein" and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

### **1.08 Interpretation Not Affected by Headings**

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

### **1.09 Numbers**

In this Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

**ARTICLE II**  
**CLASSIFICATION AND TREATMENT OF AFFECTED PARTIES**

**2.01 Classes of Creditors**

For the purposes of voting on the Proposal, there will only be one class of creditors, being the Affected Creditors Class. For the purposes of voting on the Proposal, each Convenience Creditor shall be deemed to be in and shall be deemed to vote in and as part of, the Affected Creditors Class.

**2.02 Treatment of Affected Creditors**

- (a) On the Proposal Implementation Date, and in accordance with the times, steps and in the sequence set forth in Section 4.03, each Affected Creditor shall receive either:
  - (i) its Affected Creditor Pro Rata Share of the New Senior Unsecured Notes and the New Common Shares or
  - (ii) its Convenience Creditor Consideration, as applicable.
  
- (b) On the Proposal Implementation Date, each Affected Creditor Claim shall, and shall be deemed to have been irrevocably and finally extinguished, discharged and released, and each Affected Creditor shall have no further right, title or interest in or to its Affected Creditor Claim. For greater certainty, the Convertible Debentures shall be cancelled and terminated pursuant to this Proposal.

**2.03 Existing Equityholders and Holders of Equity Claims**

Existing Equityholders and holders of Equity Claims shall not be entitled to vote in respect of their Existing Equity and/or Equity Claims at the Creditors Meeting and shall not receive any distribution under this Proposal on account of their Existing Equity or Equity Claims. All Existing Equity and Equity Claims shall be fully, finally and irrevocably and forever compromised, released, discharged, cancelled, extinguished and barred for no consideration on the Proposal Implementation Date in accordance with Section 4.03(b)(iii) and (iv).

**2.04 Superintendent's Levy**

All New Senior Unsecured Notes and New Common Shares to be distributed under this Proposal shall be delivered by the Company to the Proposal Trustee for distribution by the Proposal Trustee in accordance with this Proposal and, notwithstanding any other provisions hereunder, any distributions made pursuant to the terms hereof shall be made net of the Superintendent's Levy required to be made pursuant to the BIA, such Superintendent's Levy to be paid in New Senior Unsecured Notes and New Common Shares.

**2.05 Delivery of New Common Shares**

After the Proposal Implementation Date, each Affected Creditor shall be entitled to receive direct registration statement advices evidencing the New Common Shares, or certificated New Common Shares which have been issued to such Affected Creditor, in the amounts provided for in Section 2.02.



## **2.06 Application of Proposal Distributions**

All amounts paid or payable hereunder on account of the Affected Creditor Claims (including, for greater certainty, any securities received hereunder) shall be applied as follows: (i) first, in respect of the principal amount of the Affected Creditor Claim, and (ii) second, in respect of the accrued but unpaid interest on the Affected Creditor Claim.

## **2.07 No Liability in respect of Deliveries**

- (a) None of the Company, nor its directors or officers, shall have any liability or obligation in respect of any deliveries, directly or indirectly, from, as applicable, (i) the Proposal Trustee, (ii) the New Senior Unsecured Notes Trustee, (iii) CDS, or (iv) the Intermediaries, in each case to the ultimate beneficial recipients of any consideration payable or deliverable by the Company pursuant to this Proposal.
- (b) The Proposal Trustee shall not incur, and is hereby released from, any liability as a result of carrying out any provisions of this Proposal and any actions related or incidental thereto, save and except for any gross negligence or willful misconduct on its part (as determined by a final, non-appealable judgment of the Court).
- (c) On the Proposal Implementation Date, after the completion of the transactions set forth in Section 4.03, all duties and responsibilities of the Debenture Trustee arising under or related to the Convertible Debentures shall be discharged except to the extent required in order to effectuate distributions under this Proposal.

## **2.08 Full Satisfaction of All Affected Creditor Claims**

All Affected Creditors shall accept the consideration set out in Section 2.02 hereof in full and complete satisfaction of their Affected Creditor Claims, and all liens, certificates of pending litigation, executions, or other similar charges or actions or proceedings in respect of such Affected Creditor Claims will have no effect in law or in equity against the property, assets and undertaking of the Company. Upon the implementation of the Proposal, any and all such registered liens, certificates of pending litigation, executions or other similar charges or actions brought, made or claimed by Affected Creditors will be and will be deemed to have been discharged, dismissed or vacated without cost to the Company and the Company will be released from any and all Affected Creditor Claims of Affected Creditors, subject only to the right of Affected Creditors to receive Distributions as and when made pursuant to this Proposal.

## **2.09 Undeliverable Distributions**

Undeliverable Distributions shall be dealt with and treated in the manner provided for the in the BIA and the directives promulgated pursuant thereto.

**ARTICLE III**  
**MEETING OF AFFECTED CREDITORS**

**3.01 Meeting of Affected Creditors**

On the Creditors' Meeting Date, the Company shall hold the Creditors' Meeting in order for the Affected Creditors to consider and vote upon the Proposal Resolution.

**3.02 Time and Means of Creditors' Meeting**

The Creditors' Meeting shall take place at 10 a.m. (Toronto time) on December 14, 2020. Due to COVID-19, the Creditors' Meeting shall be held online at the following website: <https://us02web.zoom.us/j/82452022771?pwd=UUFPaUFqV1o1a0sxc0thWVI4SVNtZz09>.

**3.03 Quorum and Conduct of Creditors' Meeting**

A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Affected Creditor, entitled to vote, present in person (virtually) or by proxy, or if one Affected Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Proposal Trustee to such date, time and place or online meeting platform as determined by the Proposal Trustee. For greater certainty, the Creditors' Meeting may be adjourned one or more times.

**3.04 Voting at the Meeting**

In order to vote on the Proposal, each beneficial Debentureholder will be required to submit a completed proxy and voting letter which must be received by the Proposal Trustee by no later than 5:00 p.m. (Toronto time) on the day that is one Business Day prior to the Creditors' Meeting.

Holders or custodians ("**Participant Holders**") of Convertible Debentures on behalf of beneficial Debentureholders will be provided with Proposal materials for distribution to their corresponding beneficial Debentureholders. The Proposal Trustee will require that Participant Holders complete and sign the applicable part of the voting and proxy letter for Debentureholders and to transmit it along with the other Proposal materials to each applicable beneficial Debentureholder. The beneficial Debentureholder will be responsible to complete the balance of the proxy and voting letter and submit it directly to the Proposal Trustee. Each beneficial Debentureholder will be entitled to a single vote at the Creditors' Meeting in the full amount of its Debentureholder Claim.

Each Affected Creditor other than a Debentureholder in respect of its Debentureholder Claim will be required to submit a proof of claim to the Proposal Trustee. Each Affected Creditor other than a Debentureholder in respect of its Debentureholder Claim shall be entitled to a single vote valued in the full amount of its Proven Claim. In order to vote at the Creditors' Meeting, the proof of claim must be submitted to the Proposal Trustee no later than 5:00 p.m. (Toronto time) on the day that is one (1) Business Day prior to the commencement of the Creditors' Meeting.

The only Persons entitled to attend and speak at the Creditors' Meeting are representatives of the Company and the Consenting Debentureholders and their respective legal counsel and advisors, the Proposal Trustee and its legal counsel and advisors, and all other Persons entitled to vote at the Creditors' Meeting and their respective legal counsel and advisors. Any other Person may be admitted to the Creditors' Meeting on invitation of the Proposal Trustee.

The provisions of section 135 of the BIA will apply to all Proofs of Claim submitted by Affected Creditors, including in respect of Disputed Claims. In the event that a duly submitted Proof of Claim has been disallowed by the Proposal Trustee, and such disallowance has been disputed by the applicable Affected Creditor in accordance with Section 135(4) of the BIA, then the dollar value for voting purposes at the Creditors' Meeting shall be the dollar amount of such disputed claim set out in the Proof of Claim submitted by such Affected Creditor, without prejudice to the determination of the dollar value of such Affected Creditor's disputed claim for distribution purposes.

Notwithstanding the foregoing, each Convenience Creditor with a Proven Claim of \$500.00 or less is irrevocably deemed to have voted the full amount of its Proven Claims in favour of the approval of the Proposal without requirement for such Convenience Creditor to file a proxy to vote in favour of the Proposal, in consideration for the Proposal providing for the full payment of their Proven Claim. An Affected Creditor with a Proven Claim in excess of \$500.00 that wishes to be treated as a Convenience Creditor under the Proposal must deliver a duly completed and executed Convenience Creditor Election Form to the Proposal Trustee by no later than the Convenience Creditor Election Deadline, and upon doing so such Affected Creditor: (i) is irrevocably deemed to have voted the full amount of its Proven Claim in favour of the Proposal as a member of the Affected Creditors Class; and (ii) shall be treated as a Convenience Creditor for all purposes and shall receive the lesser of (x) \$500.00, and (y) the amount of its Proven Claim, up to a maximum aggregate amount of \$25,000.00 (either (x) or (y), being the applicable “**Convenience Creditor Consideration**”).

### **3.05 Approval by Affected Creditors**

In order to be approved, this Proposal must receive the affirmative votes of the Required Majority.

### **3.06 Modification to Proposal**

Subject to the consent of the Proposal Trustee and the terms of the Debentureholder Support Agreement, the Company reserves the right at any time prior to the Creditors' Meeting to file any modification of, amendment or supplement to the Proposal by way of supplementary proposal. Any such amended or supplementary proposal shall forthwith be posted on the Proposal Trustee's Website and filed with the Official Receiver as soon as practicable, in which case any such amended or supplementary proposal or proposals shall, for all purposes, be and be deemed to be a part of and incorporated in to this Proposal. At the Creditors' Meeting, the Company and/or the Proposal Trustee shall provide all Affected Creditors in attendance with details of any modifications or amendments prior to the vote being taken to approve the Proposal. Subject to the provisions of the BIA, after the Creditors' Meeting (and both prior to and subsequent to the Approval Order) and subject to the consent of the Proposal Trustee and the terms of the

Debentureholder Support Agreement, the Company may at any time and from time to time vary, amend, modify or supplement the Proposal.

## **ARTICLE IV** **IMPLEMENTATION**

### **4.01 Corporate Authorizations**

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Proposal involving corporate action of the Company will occur and be effective as of the Proposal Implementation Date (or such other date as may be expressly set forth in this Proposal or as the Company and the Consenting Debentureholders may agree, each acting reasonably), and will be authorized and approved under this Proposal and by the Court, where appropriate, as part of the Approval Order, in all respects and for all purposes without any requirement of further action by shareholders, directors or officers of the Company. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of the Company, as applicable.

### **4.02 Fractional Interests**

- (a) No fractional New Common Shares shall be issued under this Proposal, and fractional share interests shall not entitle the owner thereof to any rights of a holder of New Common Shares. Any legal, equitable, contractual or any other rights or claims (whether actual or contingent, and whether or not previously asserted) of any Person with respect to fractional New Common Shares pursuant to this Proposal shall be rounded down to the nearest whole number of Common Shares without compensation therefor.
- (b) The New Senior Unsecured Notes issued pursuant to this Proposal shall each be issued in minimum increments of \$1.00, and the amount of New Senior Unsecured Notes that each Affected Creditor shall be entitled to under this Proposal shall in each case be rounded down to the nearest multiple of \$1.00 without compensation therefor.

### **4.03 Proposal 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 the following order in five minute increments (unless otherwise indicated) and at the times and in the order set out in this Section 4.03 (or in such other manner or order or at such other time or times as the Company and the Consenting Debentureholders may agree, each acting reasonably), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

- (a) The following shall occur concurrently:
  - (i) Nabis and the New Senior Unsecured Notes Trustee shall enter into the New Senior Unsecured Notes Indenture together with all related documentation

(including applicable security documentation) as agreed by the Company and the Consenting Debentureholders, each acting reasonably;

- (ii) in full and final settlement of all Affected Creditor Claims:
  - (A) Nabis shall issue and pay to each Affected Creditor (other than Convenience Creditors) such Affected Creditor's Affected Creditor Pro Rata Share of the New Common Shares;
  - (B) Nabis shall issue and pay to each Affected Creditor (other than Convenience Creditors) such Affected Creditor's Affected Creditor Pro Rata Share of the New Senior Unsecured Notes;
  - (C) Nabis shall pay by cheque to each Convenience Creditor such Convenience Creditor's applicable entitlement in respect of its Proven Claim in accordance with Section 3.04;
- (b) Concurrently with the transactions contemplated by Section 4.03(a):
  - (i) all Affected Creditor Claims (including without limitation all Debentureholder Claims and Convenience Creditor Claims) shall, and shall be deemed to be, irrevocably and finally extinguished and the Affected Creditors shall have no further right, title or interest in and to their respective Affected Creditor Claims;
  - (ii) the Convertible Debentures, the Debenture Indenture, and any and all other Debenture Documents shall be cancelled, provided that the Debenture Indenture shall remain in effect solely to allow the Debenture Trustee to make the distributions set forth in this Proposal;
  - (iii) all Existing Equity shall be cancelled for no consideration; and
  - (iv) all Equity Claims shall, and shall be deemed to be, irrevocably and finally extinguished and all Existing Equityholders shall have no further right, title or interest in and to their respective Equity Claims.

- (c) The releases referred to in Section 5.01 shall become effective.
- (d) Each of the directors of the Company immediately before the Effective Time shall be deemed to have resigned and the New Directors shall be deemed to have been appointed.

## **ARTICLE V** **RELEASES**

### **5.01 Release of Released Parties**

At the applicable time pursuant to Section 4.03, each of the Released Parties shall be released and discharged from all present and future actions, causes of action, damages, judgments, executions, obligations, liabilities and Claims of any kind or nature whatsoever arising on or prior to the Proposal Implementation Date, including without limitation in connection with the Convertible Debentures, the Debenture Indenture, the Debenture Documents, this Proposal and any proceedings commenced with respect to or in connection with this Proposal, the transactions contemplated hereunder, and any other actions or matters related directly or indirectly to the foregoing, provided that nothing in this paragraph shall release or discharge (i) any of the Released Parties from or in respect of their respective obligations under this Proposal, the New Senior Unsecured Notes or any order or document ancillary to any of the foregoing, or (ii) any Released Party from liabilities or claims which cannot be released pursuant to s. 50(14) of the BIA, as determined by the final, non-appealable judgment of the Court. The foregoing release shall not be construed to prohibit a party in interest from seeking to enforce the terms of this Proposal or any contract or agreement entered into pursuant to, in connection with or contemplated by this Proposal.

### **5.02 Injunctions**

All Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Proposal Implementation Date, 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 of any Person against the Released Parties, as applicable; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, guarantee, decree or order against the Released Parties; (iii) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (iv) taking any actions to interfere with the implementation or consummation of this Proposal or the transactions contemplated hereunder; provided, however, that the foregoing shall not apply to the enforcement of any obligations under this Proposal or any document, instrument or agreement executed to implement this Proposal.

**ARTICLE VI**  
**CONDITIONS PRECEDENT**

**6.01 Confirmation of Proposal**

Provided that the Proposal is approved by the Required Majority, the Proposal Trustee shall apply for the Approval Order no later than five (5) days following the Creditors' Meeting.

**6.02 Conditions Precedent**

This Proposal will take effect on the Proposal Implementation Date. The Implementation of this Proposal on the Proposal Implementation Date is subject to the satisfaction of the following conditions precedent (collectively, the “**Conditions Precedent**”):

- (a) the Proposal is approved by the Required Majority;
- (b) the Approval Order, in form and substance satisfactory to the Consenting Debentureholders, has been issued, has not been stayed and no appeal therefrom is outstanding;
- (c) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Authority, no application shall have been made to any Governmental Authority, and no action or investigation shall have been announced, threatened or commenced by any Governmental Authority, in consequence or in connection with the Proposal that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit), the Proposal or any part thereof or requires or purports to require a variation of the Proposal;
- (d) the Proposal Implementation Date shall occur on or before December 31, 2020 or such later date as may be agreed to by the Consenting Debentureholders;
- (e) payment in full of all reasonable documented fees and expenses of the Debenture Trustee;
- (f) any required resolutions authorizing Nabis to file this Proposal will have been approved by the board of directors of the Company;
- (g) Nabis shall continue to be listed on a Canadian securities exchange acceptable to the Consenting Debentureholders, acting reasonably;
- (h) Nabis shall have used its best efforts to pay all reasonable documented fees and expenses of the Consenting Debentureholder Advisor in full in cash, provided that the Consenting Debentureholder Advisor shall have provided Nabis with invoices for all such fees and expenses at least five (5) Business Days prior to the Proposal Implementation Date, and further provided that Nabis will have a cash balance of at least Cdn. \$350,000 following such payment;

- (i) provided that the payment contemplated by Section 6.02(h) is made in full, the Company shall have used its best efforts to pay the reasonable documented fees and expenses of the Other Debentureholder Advisors in full in cash, up to Cdn. \$400,000 in the aggregate (the "**Other Advisor Closing Cap**"), provided that such Other Debentureholder Advisors shall have provided the Company with invoices for all such fees and expenses at least five (5) Business Day prior to the Proposal Implementation Date, and further provided that Nabis will have a cash balance of at least Cdn. \$350,000 following such payment;
- (j) the Debenture Support Agreement shall not have been terminated by the Consenting Debentureholders; and
- (k) the Company shall have delivered a certificate to the Proposal Trustee that the conditions precedent to the Implementation of the Proposal have been satisfied or waived (the "**Implementation Certificate**").

Upon written confirmation of receipt from the Proposal Trustee of the Implementation Certificate, the Implementation of the Proposal shall have been deemed to have occurred and all actions deemed to occur upon Implementation of the Proposal shall occur without the delivery or execution of any further documentation, agreement or instrument.

## **ARTICLE VII**

### **EFFECT OF PROPOSAL**

#### **7.01 Binding Effect of Proposal**

After the issuance of the Approval Order by the Court, subject to satisfaction of the Conditions Precedent, the Proposal shall be implemented by the Company and shall be fully effective and binding on the Company and all Persons affected by the Proposal. Without limitation, the treatment of Affected Creditor Claims under the Proposal shall be final and binding on the Company, the Affected Creditors, and all Persons affected by the Proposal and their respective heirs, executors, administrators, legal representatives, successors, and assigns. For greater certainty, this Proposal shall have no effect upon Unaffected Creditors.

#### **7.02 Amendments to Agreements and Paramountcy of Proposal**

Notwithstanding the terms and conditions of all agreements or other arrangements with Affected Creditors entered into before the Filing Date, for so long as an event of default under this Proposal has not occurred, all such agreements or other arrangements will be deemed to be amended to the extent necessary to give effect to all the terms and conditions of this Proposal. In the event of any conflict or inconsistency between the terms of such agreements or arrangements and the terms of this Proposal, the terms of this Proposal will govern and be paramount.

#### **7.03 Deemed Consents and Authorizations of Affected Creditors**

At the Effective Time each Affected Creditor shall be deemed to have:



- (a) executed and delivered to the Company all consents, releases, assignments, and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) waived any default by the Company in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Company that has occurred on or prior to the Proposal Implementation Date; and
- (c) agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Company as at the date and time of Court approval of the Proposal (other than those entered into by the Company on, or with effect from, such date and time) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly.

#### **7.04 Continuing Obligation to Pay**

- (a) To the extent Nabis does not pay any or all of the amounts contemplated by Sections 6.02(h) or 6.02(i) because it does not have sufficient cash to do so, any amounts not paid, together with any reasonable documented fees and expenses of the Other Debentureholder Advisors in excess of the Other Advisor Closing Cap, shall continue to be an obligation of Nabis following the Effective Time.
- (b) Amounts payable pursuant to Section 60(1.1) of the BIA, if any, shall continue to be an obligation of Nabis following the Effective Time.

### **ARTICLE VIII ADMINISTRATIVE FEES AND EXPENSES**

#### **8.01 Administrative Fees and Expenses**

Administrative Fees and Expenses will be paid in cash by the Company on the Proposal Implementation Date.

### **ARTICLE IX INDEMNIFICATION**

#### **9.01 Indemnification of Proposal Trustee**

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

**ARTICLE X**  
**POST FILING GOODS AND SERVICES**

**10.01 Payment of Payroll Deductions and Post Filing Claims**

The following shall continue to be paid in the ordinary course by the Company prior to and after the Court Approval Date and shall not constitute Distributions or dividends under this Proposal:

- (a) all Persons, who may advance monies, or provide goods or services to the Company after the Filing Date shall be paid by the Company in the ordinary course of business;
- (b) current source deductions and other amounts payable pursuant to Section 60(1.2) of the BIA, if applicable, shall be paid to Her Majesty in Right of Canada in full by the Company as and when due; and
- (c) current goods and services tax (GST), and all amounts owing on account of provincial sales taxes, if applicable, shall be paid in full by the Company as and when due.

**ARTICLE XI**  
**TRUSTEE, CERTIFICATE OF COMPLETION, AND DISCHARGE OF TRUSTEE**

**11.01 Proposal Trustee**

KSV Restructuring Inc. shall be the Proposal Trustee pursuant to this Proposal and upon the making of the Distributions and the payment of any other amounts provided for in this Proposal, the Proposal Trustee will be entitled to be discharged from its obligations under the terms of this Proposal. The Proposal Trustee is acting in its capacity as Proposal Trustee under this Proposal, and not in its personal capacity and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business, liabilities or obligations of the Company, whether existing as at the Filing Date or incurred subsequent thereto.

**11.02 Certificate of Completion and Discharge of Proposal Trustee**

Upon the Proposal Trustee receiving confirmation in writing from the Company that the transactions contemplated in Section 4.03 have been completed in the order and manner contemplated therein, the terms of the Proposal shall be deemed to be fully performed and the Proposal Trustee shall provide a certificate to the Company and to the Official Receiver pursuant to Section 65.3 of the BIA and the Proposal Trustee shall be entitled to be discharged.

**ARTICLE XII**  
**GENERAL**

**12.01 Valuation**

For purposes of proofs of claim for voting and Distributions, all Claims shall be valued as at the Filing Date.

**12.02 Governing Law**

The Proposal shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein. Any disputes as to the interpretation or application of the Proposal and all proceedings taken in connection with the Proposal shall be subject to the exclusive jurisdiction of the Court.

Dated at Toronto, this 8<sup>th</sup> day of December, 2020.

**NABIS HOLDINGS INC.**

Per: (signed) "Emmanuel Paul"

Name: Emmanuel Paul

Title: Chair of the Board

*I have the authority to bind the Corporation.*

**Schedule A**

<b>New Senior Unsecured Notes Terms</b>	
<b>Issuer:</b>	Nabis Holdings Inc.
<b>Guarantors:</b>	Nabis (CAN) Holdings Corp., Nabis Technologies Corp. and all other present and future direct and indirect subsidiaries of Nabis.
<b>Principal Amount:</b>	CAD\$23 million.
<b>Interest Rate:</b>	5.3%, payable quarterly in arrears.
<b>Maturity:</b>	2 years from the date of issuance.
<b>Change of Control</b>	Company required to make an offer to purchase at 105% of the principal amount plus accrued and unpaid interest.
<b>Collateral:</b>	Unsecured
<b>Restrictive Covenants:</b>	<p>Customary restrictive covenants for senior unsecured debt, including:</p> <p>(a) the Nabis Entities may not commit or make any commitment to acquire any shares or material assets unless otherwise agreed by holders of 66.7% of the principal amount of the New Senior Unsecured Notes; and</p> <p>(b) Nabis may not, in a single transaction or series of transactions, issue equity securities or rights, options or other entitlements to acquire equity securities that in the aggregate would exceed (assuming the exercise or conversion of any convertible securities so issued) more than 20% of the outstanding equity securities of Nabis without the consent holders of 66.7% of the principal amount of the New Senior Unsecured Notes.</p>
<b>Mandatory Prepayments:</b>	Customary mandatory prepayment provisions for senior unsecured debt, including 100% of the cash proceeds of any sale or disposition of assets (above a threshold to be agreed).
<b>Other Terms:</b>	No payments of principal or interest or otherwise shall be made under the New Senior Unsecured Notes until all payments contemplated by Section 6.02 (h) and (i) have been paid in full.

	Customary provisions for senior unsecured debt to be agreed to by Nabis and the Required Consenting Debentureholders.
--	---

**Schedule B**

**CONVENIENCE CREDITOR ELECTION FORM**

**TO: KSV RESTRUCTURING INC., in its capacity as Proposal Trustee of Nabis Holdings Inc. ("Nabis")**

---

In connection with the Proposal of Nabis pursuant to the *Bankruptcy and Insolvency Act* (Canada) dated November 23, 2020 (as amended, restated, modified and/or supplemented from time to time, the "**Proposal**"), the undersigned hereby irrevocably elects to be treated for all purposes under the Proposal as a Convenience Creditor and thereby to receive the lesser of (i) \$500.00, and (ii) the amount of its Proven Claim, provided that the maximum amount available for all Convenience Class Creditors is \$25,000.00 in full and final satisfaction of the Proven Claim(s) of the undersigned, and hereby acknowledges that the undersigned shall be deemed to vote the full amount of its Proven Claim(s) in favour of the Proposal at the Creditors' Meeting.

For the purposes of this election, capitalized terms not defined herein shall have the meanings ascribed thereto in the Proposal.

**DATED** at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, 2020.

**AFFECTED CREDITOR'S SIGNATURE:**

---

(Print Legal Name of Affected Creditor)

---

(Print Legal Name of Assignee, if applicable)

---

(Signature of the Affected Creditor/Assignee or an Authorized Signing Officer of the Affected Creditor/Assignee)

---

(Print Name and Title of Authorized Signing Officer of the Affected Creditor/Assignee, if applicable)

---

(Mailing Address of the Affected Creditor/Assignee)

---

(Telephone Number and E-mail of the Affected Creditor/Assignee or Authorized Signing Officer of the Affected Creditor/Assignee)