

Superior Court
(Commercial Division)

Canada
Province of Québec
District of Montréal
No.: 500-11-049838-150

In the Matter of the Plan of Compromise or Arrangement of:

9323-7055 Québec inc. (formerly known as Aquadis International inc.)
Debtor

and

Raymond Chabot inc.
Monitor

**Amended Plan of Compromise and Arrangement of the Monitor dated April 25,
2019**

TABLE OF CONTENTS

ARTICLE 1 PURPOSE AND EFFECT OF THE PLAN 4

 1.1 Purpose 4

 1.2 Persons Affected..... 5

ARTICLE 2 CLASSIFICATION, VOTING AND RELATED MATTERS..... 5

 2.1 Class of Creditors 5

 2.2 Claims Procedure 5

 2.3 Voting Rights 5

 2.4 Different Capacities..... 6

 2.5 Interest..... 6

ARTICLE 3 UNAFFECTED CLAIMANTS AND UNAFFECTED CLAIMS..... 6

 3.1 Unaffected Claims..... 6

ARTICLE 4 ESTABLISHMENT AND DISTRIBUTION OF THE LITIGATION POOL..... 7

 4.1 Constitution of the Litigation Pool..... 7

 4.2 Pro-Rata Distribution of the Litigation Pool..... 7

 4.3 Public Information Campaign 7

 4.4 Initial Distribution..... 8

 4.5 Interim Distributions 8

 4.6 Final Distribution 8

 4.7 Distribution to Claimants having Undetermined Product Claims..... 8

 4.8 Delivery of Distributions to Creditors 8

 4.9 Treatment of Undeliverable Distributions 8

ARTICLE 5 PUBLIC INFORMATION CAMPAIGN 9

ARTICLE 6 SANCTION ORDER..... 9

 6.1 Application for Sanction Order 9

 6.2 Sanction Order..... 9

 6.3 Conditions Precedent to Implementation of the Plan.....10

 6.4 Implementation Certificate of the Monitor11

ARTICLE 7 PLAN RELEASES11

 7.1 Mutual Release of the Subject Parties11

 7.2 Previous releases are unaffected.....11

 7.3 Release of the Subsequent Settling Parties11

 7.4 Release of Aquadis.....11

ARTICLE 8 INTERPRETATION.....12

 8.1 Definitions12

 8.2 Certain Rules of Interpretation12

 8.3 Time.....13

 8.4 Date and Time for any Action.....13

8.5	Successors and Assigns	13
8.6	Governing Law.....	13
8.7	Governing Language	13
ARTICLE 9 GENERAL.....		13
9.1	Binding Effect.....	13
9.2	Deeming Provisions	14
9.3	Modification of the Plan prior to or at the Meeting	14
9.4	Modification of the Plan after the Meeting	14
9.5	Severability of Plan Provisions	15
9.6	Responsibilities of the Monitor	15
9.7	Further Assurances.....	15
SCHEDULE "A" DEFINED TERMS.....		16
SCHEDULE "B" PURCHASERS		21

PREAMBLE

Aquadis filed a notice of intention to make a proposal under the Bankruptcy and Insolvency Act on June 11, 2015 as a result of financial problems caused by the claims in connection with products it imported and distributed.

On December 9, 2015, the Court continued the restructuring of Aquadis under the CCAA in order to seek, in the best interest of all the creditors of Aquadis and the parties involved, a global solution to the claims in connection with the products imported and distributed by Aquadis.

Pursuant to the Initial Order rendered on December 9, 2015, the Monitor is authorized to initiate, continue or settle any claim on behalf of Aquadis. On November 14, 2016, the Court authorized the Monitor to initiate or continue any claim, suit or action of the creditors of Aquadis, for and on behalf of those creditors, against persons operating in Canada arising, directly or indirectly, from a manufacturing defect affecting goods sold by Aquadis.

On June 20, 2018, the Court issued three Transaction Approval and Release Orders authorizing settlements with the Initial Settling Parties, which paid funds to the Monitor.

As of the date of the Plan, an Amended Application to Recover Damages and Insurance Proceeds is pending before the Court, which the Monitor intends to amend to implead the parties that purchased certain products from Aquadis and resold them.

Unless otherwise stated or unless the subject matter or context otherwise requires, the capitalized terms used in the Plan have the meaning ascribed to them at Schedule "A" hereof.

ARTICLE 1 PURPOSE AND EFFECT OF THE PLAN

1.1 Purpose

The purpose of the Plan is:

- (a) to establish a litigation pool, consisting of the proceeds of litigation and settlement;
- (b) to distribute the litigation pool to the persons having claims relating to products imported or sold by Aquadis;
- (c) to inform the public that certain faucet products distributed by Aquadis are affected by defects;
- (d) to release the persons with which the Monitor settles claims relating to products imported or sold by Aquadis, in exchange for monetary contributions to the litigation pool;
- (e) to release significant creditors of Aquadis, namely Desjardins, The Personal, Intact, La Capitale, L'Unique, RSA, AVIVA and Promutuel on behalf of certain mutual insurance associations, of the claims relating to products imported or sold by Aquadis which they have against each other; and
- (f) to release Aquadis and its representatives of all claims.

This statement of the purpose of the Plan is for general understanding purposes only, and does not have any legal effect or in any way alter the terms of the Plan.

1.2 Persons Affected

This Plan will be implemented under the CCAA and will become effective on, and be binding on and after, the Plan Implementation Date on all Claimants, Creditors, Subject Parties, Subsequent Settling Parties and all other Persons in accordance with its terms. For greater certainty, the Plan does not affect the Unaffected Claimants with respect to and to the extent of their Unaffected Claims.

ARTICLE 2 CLASSIFICATION, VOTING AND RELATED MATTERS

2.1 Class of Creditors

The Persons having Proven Claims shall constitute a single class for the purposes of considering and voting on this Plan.

2.2 Claims Procedure

Claimants shall prove their respective Claims, vote in respect of the Plan, and receive the distributions provided for under and pursuant to this Plan in accordance with the Claims Procedure Order, the Meeting Order and this Plan. Without limitation, any Person having a Claim that is not a Proven Claim is bound by the Claims Procedure Order, the Meeting Order and this Plan.

The Monitor shall have finally determined the Claims before the Final Distribution Date.

2.3 Voting Rights

Subject to the Claims Procedure Order and the Meeting Order, each Person having a Proven Claim shall be entitled to vote and for voting purposes each Claim shall be valued at an amount that is equal to the Person's Proven Claim.

Subject to the Claims Procedure Order and the Meeting Order, the Plan shall be approved if Creditors which are entitled to vote and represent at least one half in number of Proven Claims and two-thirds in value of Proven Claims actually vote on the resolution approving the Plan (in person or by proxy) at the Meeting (the "**Required Majority**"). For greater certainty, one Cause of Action in connection with a same accident or event in any way arising out of products imported, distributed or sold by Aquadis shall constitute one Product Claim, which if finally determined for voting and distribution purposes shall constitute one Proven Product Claim, and Causes of Action in connection with several distinct accidents or events in any way arising out of products imported, distributed or sold by Aquadis shall constitute several distinct Product Claims, which if finally determined for voting and distribution purposes shall constitute several distinct Proven Product Claims.

Any Claimant holding an Undetermined Claim as of the date of the Meeting will be entitled to have its vote recorded based on the Face Value of its Undetermined Claim, although such vote will not be taken into account, including for the calculation of the Required Majority, unless the Court, on application within 10 days of the vote, considers appropriate that such vote be taken into account. The Monitor shall keep a separate record of votes cast by Claimants holding Undetermined Claims and shall report to the Court with respect thereto at the Sanction Hearing.

Notwithstanding anything to the contrary contained herein, a Person who has an Unaffected Claim shall not be entitled to attend the Meeting or vote on this Plan in respect of such Unaffected Claim.

2.4 Different Capacities

Claimants and Subject Parties may be affected in more than one capacity. Unless expressly provided herein to the contrary, each such Claimant and Subject Party shall be entitled to participate hereunder in each such capacity. Any action taken by a Claimant or Subject Party in any one capacity shall not affect the Claimant or Subject Party in any other capacity, unless expressly agreed by the Claimant or the Subject Party in writing.

2.5 Interest

Interest shall not accrue or be paid on any Claim from and after the Filing Date.

ARTICLE 3 UNAFFECTED CLAIMANTS AND UNAFFECTED CLAIMS

3.1 Unaffected Claims

Notwithstanding anything to the contrary herein, this Plan does not compromise, release, discharge, cancel, bar or otherwise affect:

- (a) the Product Claims of any Person, including any of the Subject Parties and Aquadis, against:
 - (i) any Person which installed or sold, directly or indirectly, products purchased from Aquadis, including any of the Persons listed at Schedule "B" to the Plan, unless such Person is an Aquadis Released Party, an Initial Settling Party, a Subsequent Settling Party or an insured of a Subject Party which is not a Person listed at Schedule "B" to the Plan;
 - (ii) the following parties to the Amended Application to Recover Damages and Insurance Proceeds (Anterior Parties) dated November 7, 2017 and filed in the CCAA Proceedings: JYIC Industrial Corporation, Jing Yudh Industrial Co., Ltd., Cathay Century Insurance Co., Ltd., IAPMO Research and Testing, Inc., International Association of Plumbing and Mechanical Officials, and Sean Murphy, in his capacity as Attorney in Fact in Canada for Lloyd's Underwriters, unless such party is a Subsequent Settling Party; or
 - (iii) Persons other than any of the Aquadis Released Parties, the Subject Parties, the insureds of the Subject Parties which is not a Person listed at Schedule "B" to the Plan, the Initial Settling Parties and the Subsequent Settling Parties;
- (b) Causes of Action of any the Subject Parties against one or more other Subject Parties, other than the Product Claims;
- (c) Causes of Action of any of the parties to the Restructuring Support Agreement in connection with such Agreement against one or more other such parties;

- (d) Causes of Action of the Monitor, the counsel for the Monitor and the counsel for the Creditors' Committee for the fees and disbursements incurred for or in connection with the CCAA Proceedings; and
- (e) the Causes of Action that fall within subsections 19(2) or 38(2) of the CCAA.

All of the foregoing Causes of Action are referred to as the "**Unaffected Claims**" and any one of them is an "**Unaffected Claim**".

ARTICLE 4 ESTABLISHMENT AND DISTRIBUTION OF THE LITIGATION POOL

4.1 Constitution of the Litigation Pool

The following funds shall constitute the Litigation Pool:

- (a) the funds held in trust by the Monitor pursuant to the AIG and INA Transaction Approval and Release Order, the Fubon Transaction Approval and Release Order and the Sovereign Transaction Approval and Release Order, all of which are dated June 20, 2018, which approximately total \$4,700,000.00 and for which Professional Fees have been deducted;
- (b) the funds paid to the Monitor as a result of any settlement of Product Claims to be entered into by the Monitor on behalf of Aquadis or its creditors, with the approval of the Creditors' Committee or the Court (a "**Settlement**"), deduction made of the Professional Fees; and
- (c) the funds paid to the Monitor pursuant to any judgment or award resulting from proceedings initiated by the Monitor on behalf of Aquadis or its creditors, including against the Persons listed at Schedule "B" to the Plan, with the approval of the Creditors' Committee or the Court, and alleging Product Claims (a "**Judgment**"), deduction made of the Professional Fees;
- (d) the funds paid to the Monitor as proceeds of any other assets of Aquadis, including any input tax credits or input tax refunds, deduction made of the Professional Fees; and
- (e) upon the termination of the Public Information Campaign, any unused portion of the amount kept and set aside from the Litigation Pool to pay the expenses related to the Public Information Campaign pursuant to Section 4.3 of the Plan.

4.2 Pro-Rata Distribution of the Litigation Pool

Subject to Section 4.7, each Creditor having a Proven Product Claim at the time of any distribution of the Litigation Pool shall be entitled to receive its Pro-Rata Share of such distribution. For greater certainty, a Person that does not have a Proven Product Claim or an Undetermined Product Claim at the time of a distribution, but has a Proven Product Claim subsequent to such distribution, is not entitled to receive any share of such distribution.

4.3 Public Information Campaign

Upon the Plan Implementation Date, the Monitor shall keep and set aside from the Litigation Pool an amount of \$100,000.00 to pay the expenses related to the Public Information

Campaign. Upon the termination of the Public Information Campaign, the Monitor shall remit to the Litigation Pool any unused portion of such amount.

4.4 Initial Distribution

The Monitor shall make an initial distribution of the Litigation Pool of approximately \$4,600,000.00 within 30 days of the Plan Implementation Date.

4.5 Interim Distributions

Subsequent to the distribution effected pursuant to Section 4.4 of the Plan, the Monitor shall make one or more interim distributions of the Litigation Pool for an aggregate amount equal to the amount of the Litigation Pool within 60 days of any date on which the Litigation Pool totals more than \$1,000,000.00, unless the Monitor has obtained permission of the Creditors' Committee or the Court to not make such an interim distribution.

4.6 Final Distribution

The Monitor shall make a final distribution of the Litigation Pool on the Final Distribution Date.

Upon final distribution of all amounts payable pursuant to the Plan on account of any Proven Product Claim, any right or claim to the Litigation Pool on account of that Product Claim shall be deemed to have been satisfied, released and any interest in such monies shall be discharged and forever barred.

4.7 Distribution to Claimants having Undetermined Product Claims

The Monitor shall keep and set aside from the Litigation Pool the Pro-Rata Share of any distribution of a Claimant having an Undetermined Product Claim at the time of such distribution. If and when an Undetermined Product Claim becomes a Proven Product Claim, the Creditor having such Product Claim shall receive the portion of the amount kept and set aside by the Monitor for such Product Claim which corresponds to the ratio between the quantum of the Proven Product Claim and the Face Value of the quantum of the Undetermined Product Claim, up to a maximum of ratio of 1:1, and the Monitor shall remit the balance, if any, to the Litigation Pool. If and when it is finally determined that an Undetermined Product Claim is not a Proven Product Claim, the Monitor shall remit the amount kept and set aside for such Claim to the Litigation Pool.

4.8 Delivery of Distributions to Creditors

Distributions to Creditors from the Litigation Pool shall be made by cheque delivered to the address set forth in the Proof of Claim filed by the Creditor in accordance with the Claims Procedure Order.

Any distribution cheques that have not been negotiated within six months of issuance shall be cancelled by the Monitor, and any right or entitlement to such distribution shall be treated as an unclaimed distribution pursuant to Section 4.9.

4.9 Treatment of Undeliverable Distributions

If a Person entitled to a distribution pursuant to this Plan cannot be located on the date of any distribution, or otherwise fails to claim its distribution hereunder, then such monies shall be held

by the Monitor on behalf of such Person for the next 30 days. If such Person is located within 30 days of the date of the distribution, such monies shall be distributed to such Person.

If such Person cannot be located within 30 days of the date of the distribution, the Monitor shall remit any such monies to the Litigation Pool, unless the distribution is the final distribution, in which case any such monies:

- (a) if they amount in the aggregate to more than \$2,500, shall be distributed to other Creditors having Proven Product Claims based on their Pro-Rata Share calculated excluding the Proven Product Claims of the Persons that failed to claim their distribution hereunder; or
- (b) if they amount in the aggregate to \$2,500 or less, shall be paid to Centraide of Greater Montréal.

In such event, the Persons shall be deemed to have released their claims to and any interest in such monies and the Persons' Proven Product Claims shall be discharged and forever barred. Nothing contained in this Plan shall require the Monitor to attempt to locate such Persons.

ARTICLE 5 PUBLIC INFORMATION CAMPAIGN

Within 30 days of the Plan Implementation Date, the Monitor shall initiate a campaign to inform the public that certain faucet products distributed by Aquadis are affected by defects causing water damages due to leaks, fissuring, or ruptures which has been approved by the Creditors' Committee (the "**Public Information Campaign**") and pay the expenses related to it with the amount kept and set aside from the Litigation Pool for that purpose pursuant to section 4.3 of the Plan.

ARTICLE 6 SANCTION ORDER

6.1 Application for Sanction Order

If the Plan is approved by the Required Majority, an application shall be brought by the Monitor seeking the Sanction Order. The Sanction Hearing will be scheduled to be heard by the Court in accordance with the Meeting Order or as soon as reasonably practicable after the Meeting.

6.2 Sanction Order

The Sanction Order shall, among other things:

- (a) declare that (i) the Plan has been approved by the Required Majority in conformity with the CCAA, (ii) Aquadis and the Monitor have complied with the provisions of the CCAA and the Orders of the Court made in the CCAA Proceedings in all respects, (iii) the Court is satisfied that Aquadis has not done or purported to do anything that is not authorized by the CCAA, and (iv) the Plan is fair and reasonable;
- (b) declare that as of the filing of the Implementation Certificate of the Monitor, the Plan and all associated steps, compromises, transactions, arrangements, and releases effected thereby are approved, binding and effective upon Aquadis, the

Subject Parties, the Claimants, the Creditors, and all other Persons affected by the Plan;

- (c) authorize the Monitor to perform its duties and functions and fulfil its obligations under the Plan, including the continuation or initiation of proceedings by the Monitor on behalf of Aquadis or its creditors to recover Product Claims to fund the Litigation Pool, including against the Persons listed at Schedule "B" to the Plan;
- (d) declare that the Initial Order remains in effect, in so far as its provisions are applicable, with such modifications as the circumstances require, until the Final Distribution Date;
- (e) authorize and direct the Monitor to administer and finally determine the Undetermined Claims;
- (f) declare that any Claim against Aquadis for which a Proof of Claim has not been filed by the Claims Bar Date in accordance with the Claims Procedure Order shall be forever barred and extinguished, unless otherwise provided by any Order of the Court;
- (g) declare that the Monitor shall not incur any liability under the Tax Statutes in respect of its making any payments, ordered or permitted under the Sanction Order and is thereby forever released, remised and discharged from any claims against it under the Tax Statutes or otherwise at law, arising in respect of payments made under the Plan and the Sanction Order and any claims of such nature are thereby forever barred;
- (h) declare that in no circumstances will the Monitor have any liability for Aquadis' Tax liabilities regardless of how or when such liability may have arisen;
- (i) authorize the Monitor to issue, post on the Monitor's Website and file with the Court Settlement Certificates of the Monitor;
- (j) declare that the Creditors' Committee is maintained and the powers conferred to it by the Orders of the Court and the Plan are not affected; and
- (k) declare that the Monitor may apply to the Court from time to time for advice and direction in respect of any matters arising from, in connection with or under the Plan, including regarding the distribution mechanics thereunder and under the Plan.

6.3 Conditions Precedent to Implementation of the Plan

The implementation of the Plan shall be conditional upon the fulfilment of the following conditions precedent:

- (a) The Meeting Order shall have been granted by the Court;
- (b) The Plan shall have been approved by the Required Majority; and
- (c) The Sanction Order shall have been granted by the Court in form satisfactory to the Monitor, and for greater certainty shall be a Final Order.

6.4 Implementation Certificate of the Monitor

Upon the fulfilment of the Conditions Precedent, the Monitor shall file the Implementation Certificate of the Monitor with the Court.

ARTICLE 7 PLAN RELEASES

7.1 Mutual Release of the Subject Parties

On the Final Distribution Date, each of the Subject Parties:

- (a) shall forever, fully and finally release, acquit and discharge each of the other Subject Parties and each of their insureds which is not a Person listed at Schedule "B" to the Plan from all Product Claims;
- (b) shall discontinue and abandon, without legal costs, any litigation or proceedings presently outstanding in respect of its Product Claims against each of the other Subject Parties and their insureds, unless such insureds are Persons listed at Schedule "B" to the Plan.

7.2 Previous releases are unaffected

The releases and injunctions of the AIG and INA Transaction Approval and Release Order, the Fubon Transaction Approval and Release Order and the Sovereign Transaction Approval and Release Order, all of which are dated June 20, 2018, are not affected by the Plan or the Sanction Order.

7.3 Release of the Subsequent Settling Parties

On the date of any Settlement Certificate of the Monitor, each of the Subsequent Settling Parties mentioned in such Settlement Certificate of the Monitor is fully, finally, absolutely, unconditionally, completely, irrevocably and forever released and discharged of any Product Claim of any Person.

7.4 Release of Aquadis

On the Final Distribution Date, Aquadis and its past and present directors, officers, employees, financial advisors, legal counsel, agents or other representatives (collectively, the "**Aquadis Released Parties**"), shall be released and discharged from all Causes of Action that are in any way relating to, arising out of or in connection with the Claims, the business operations and activities of Aquadis, the Plan and the CCAA Proceedings, provided that nothing herein shall release or discharge (i) any Aquadis Released Party if such Person is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal or fraudulent misconduct or (ii) any director with respect to matters set out in Section 5.1(2) of the CCAA.

ARTICLE 8 INTERPRETATION

8.1 Definitions

In the Plan, unless otherwise stated or unless the subject matter or context otherwise requires, the capitalized terms have the meaning ascribed to them at Schedule "A" hereof.

8.2 Certain Rules of Interpretation

For the purposes of the Plan:

- (a) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (b) unless otherwise specified, all references to currency and to "\$" are to Canadian dollars;
- (c) the division of the Plan into "Articles" and "Sections" and the insertion of a Table of Contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "Articles" and "Sections" or otherwise intended as complete or accurate descriptions of the content thereof;
- (d) references in the Plan to "Articles", "Sections", "Subsections" and "Schedules" are references to Articles, Sections, Subsections and Schedules of or to the Plan;
- (e) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a Schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (f) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (g) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (h) the terms "the Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to the Plan and not to any particular "article", "section" or other portion of the Plan and include any documents supplemental hereto; and
- (i) the word "or" is not exclusive.

8.3 Time

For purposes of the Plan, unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.

8.4 Date and Time for any Action

For purposes of the Plan:

- (a) In the event that any date on which any action is required to be taken under the Plan by any Person is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and
- (b) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

8.5 Successors and Assigns

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

8.6 Governing Law

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

8.7 Governing Language

In the event of any conflict, inconsistency, ambiguity or difference between the English version of the Plan and any translations thereof, the English version shall govern and be paramount, and the applicable provision in the translation thereof shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date:

- (a) the Plan will become effective;
- (b) the treatment of Claims under the Plan shall be final and binding for all purposes and enure to the benefit of Aquadis, all Creditors, all Claimants, the Subject

Parties and all other Persons named or referred to in, or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) each Person named or referred to in, or subject to the Plan, including each of the Subject Parties, will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (d) each Person named or referred to in, or subject to the Plan, shall be deemed to have executed and delivered to the Monitor all consents, releases, directions, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (e) The Monitor shall not be precluded from initiating or continuing proceedings on behalf of Aquadis or its creditors to recover Product Claims.

9.2 Deeming Provisions

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

9.3 Modification of the Plan prior to or at the Meeting

The Monitor, with the authorization of the Creditors' Committee or the Court, may file any modification of, or amendment, variation or supplement to, this Plan (a "**Plan Modification**"), prior to the Meeting or at the Meeting, in which case any such Plan Modification shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Monitor shall give notice of any such Plan Modification at the Meeting prior to the vote being taken to approve the Plan. The Monitor may give notice of any such Plan Modification at or before any Meeting by notice which shall be sufficient if, in the case of notice at any Meeting, given to those Persons present at such meeting in person or by proxy. The Monitor shall post on the Monitor's Website, as soon as possible, any such Plan Modification.

9.4 Modification of the Plan after the Meeting

After the Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Monitor, with the authorization of the Creditors' Committee or the Court, may at any time and from time to time, modify, amend, vary or supplement the Plan, without the need for obtaining an Order or providing notice to the Creditors:

- (a) if the Monitor determines that such modification, amendment, variation or supplement would not be materially prejudicial to the interests of the Creditors under the Plan or the Sanction Order and is necessary or useful in order to give effect to the substance of the Plan or the Sanction Order; and
- (b) to add as Subject Party an insurance company, a mutual insurance company, a mutual insurance association or any other insurer which has declared in writing to the Monitor that it consents to being bound by, and benefit from, the Plan as a Subject Party.

The Monitor shall post on the Monitor's Website, as soon as possible, any such modification, amendment, variation or supplement to the Plan.

9.5 Severability of Plan Provisions

If, prior to the date that the Sanction Order is made by the Court, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Monitor, shall have the power to either (a) sever such term or provision from the balance of the Plan and provide the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Monitor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

9.6 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to Aquadis and not in its personal or corporate capacity for all acts, or decisions to not act in the implementation of the Plan, whether same occurs before or after the Plan Implementation Date. The Monitor will not be responsible or liable for any obligations of Aquadis, including with respect to the making of distributions or the receipt of any distribution by a Creditor pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order and any other Order made in the CCAA Proceedings.

9.7 Further Assurances

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein, notwithstanding any provision of this Plan that deems any transaction or event to occur without further formality.

**Raymond Chabot inc., acting as the court-
appointed monitor of 9323-7055 Québec inc.**



per: Jean Gagnon, CPA, CA, CIRP, SAI

SCHEDULE "A" **DEFINED TERMS**

"Aquadis Released Parties" has the meaning ascribed to it in Section 7.4 of the Plan: Aquadis and its past and present directors, officers, employees, financial advisors, legal counsel, agents or other representatives, and for greater certainty, the Aquadis Released Parties do not include any insurer of Aquadis;

"Aquadis" means 9323-7055 Québec inc., formerly known as Aquadis International inc.;

"Business Day" means a day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Montréal, Québec, Canada;

"Causes of Action" means past, present and future claims, causes of action, obligations, rights, liens suits, judgments, orders, applications of any kind including for judicial review, remedies, interests, actions, liabilities, demands, duties (including a duty to defend), injuries, compensation, damages, expenses, fees, or costs of whatever kind or nature (including attorney's fees and expenses), whether foreseen or unforeseen, known or unknown, asserted or unasserted, contingent or matured, liquidated or unliquidated, whether in tort, contract, extra-contractual responsibility or otherwise, whether statutory, at common law, civil law (including pursuant to articles 2500, 2501 and 2503 of the Civil Code of Québec), public law or in equity, regardless of the legal theory, including claims for breach of contract, tort, breach of the implied covenant of good faith and fair dealing, statutory or regulatory violations, for indemnity or contribution, for any damages either moral, material, bodily injury, punitive, exemplary or extra-contractual damages of any type, in any jurisdiction, whether a direct claim, cross-claim, third-party claim, warranty claim, recursory claim, subrogation claim, forced intervention, contribution claim, class action or otherwise;

"CCAA Proceedings" means the proceedings commenced by the filing on June 11, 2015 of a Notice of Intention to Make a Proposal under the Bankruptcy and Insolvency Act by Aquadis and continued on December 9, 2015 under the CCAA in the Court under Court File No. 500-11-049838-150;

"CCAA" means the Companies' Creditors Arrangement Act, RSC 1985, c C-36;

"Claimants" means collectively all Persons having Claims (whether or not such Persons filed a Proof of Claim) and may, where the context requires, include the assignee of a Person having a Claim, or a trustee, interim receiver, receiver, receiver and manager, liquidator, guardian or other Person acting on behalf of such Person, and "Claimant" means any one of them;

"Claims Bar Date" has the meaning ascribed to the term "Date limite de dépôt des Réclamations, des Réclamations contre les Administrateurs et les Dirigeants et des Réclamation contre les Autres parties visées" in the Claims Procedure Order, as modified by subsequent Orders of the Court, as the case may be;

"Claims Procedure Order" means the Order of the Court made January 6, 2016 approving and implementing the Claims Procedure;

"Claims" means all Product Claims and General Claims, and "Claim" means any one of them;

"Conditions Precedent" means the conditions precedent to the implementation of the Plan set out in Section 6.3 of the Plan;

“Creditors’ Committee” means the creditors’ committee established pursuant to paragraph 24 of the Initial Order and having the powers set forth in the Orders of the Court and the Plan;

“Creditors” means collectively all Persons having Proven Claims and may, where the context requires, include the assignee of a Person having a Proven Claim, or a trustee, interim receiver, receiver, receiver and manager, liquidator, guardian or other Person acting on behalf of such Person, and **“Creditor”** means any one of them;

“Face Value” means the aggregate amount as asserted in a Proof of Claim filed in accordance with the Claim Procedure Order;

“Filing Date” means June 11, 2015;

“Final Distribution Date” means the date on which the Monitor, with the authorization of the Creditors’ Committee or the Court, deems it advisable to make the final distribution pursuant to this Plan;

“Final Order” means a final order of the Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal and as to which any appeal periods relating thereto shall have expired;

“General Claims” means all Causes of Action, excluding Product Claims, against Aquadis, and **“General Claim”** means any one of them;

“Implementation Certificate of the Monitor” means the certificate to be appended to the Sanction Order to be filed with the Court declaring that all of the Conditions Precedent have been satisfied or waived in accordance with the Sanction Order;

“Initial Order” means the Initial Order rendered by the Court in the CCAA Proceedings on December 9, 2015;

“Initial Settling Parties” means Fubon Insurance Co., Ltd., AIG Taiwan Insurance Co., Ltd., Insurance Company of North America and Sovereign General Insurance Company;

“Judgment” has the meaning ascribed to it in Subsection 4.1(c) of the Plan: any judgment or award resulting from proceedings initiated by the Monitor on behalf of Aquadis or its creditors, with the approval of the Creditors’ Committee or the Court, alleging Product Claims;

“Litigation Pool” means the pool constituted at Section 4.1 of the Plan;

“Meeting Order” means an order of the Court directing the calling and holding of the Meeting;

“Meeting” means a meeting or meetings of the Creditors to consider and vote on the Plan held pursuant to the Meeting Order and includes any meeting or meetings resulting from the adjournment thereof;

“Monitor’s Website” means <<http://www.raymondchabot.com/dossiers-publics/9323-7055-quebec-inc/>>;

“Monitor” means Raymond Chabot inc., a corporation governed by the laws of Québec, Canada, acting as the court-appointed monitor of Aquadis;

“Person” means and includes an individual, a natural person or persons, a group of natural persons acting as individuals, a group of natural persons acting in collegial capacity (e.g., as a committee, board of directors, etc.), a corporation, partnership, limited liability company or limited partnership, a proprietorship, joint venture, trust, legal representative, or any other unincorporated association, business organization or enterprise, any government entity and any successor in interest, heir, executor, administrator, trustee, trustee in bankruptcy, or receiver of any person or entity;

“Plan Implementation Date” means the date of the Implementation Certificate of the Monitor;

“Plan Modification” has the meaning ascribed to it in Section 9.3 of the Plan: any modification of, or amendment, variation or supplement to, this Plan filed by the Monitor with the authorization of the Creditors’ Committee or the Court;

“Plan” means this Plan of Arrangement and Compromise filed by the Monitor under and pursuant to the CCAA, as such Plan may be amended, varied or supplemented from time to time in accordance with the terms hereof;

“Product Claims” means all Causes of Action in any way arising out of, based upon, or relating in any way to, in whole or in part, directly or indirectly, products imported, distributed or sold by Aquadis, and a “Product Claim” means any one of them which shall be in connection with a same accident or event;

“Professional Fees” means an amount equal to the sum of 25 % of the first \$5,000,000 of the Total Recovered Amounts (in addition to applicable taxes) and 35 % of any amount over the initial \$5,000,000 of the Total Recovered Amounts (in addition to applicable taxes), less any amounts previously remitted by the Monitor to Raymond Chabot Inc. for such purpose, as professional fees and disbursements of the Monitor and the lawyers of the Monitor;

“Proof of Claim” means a proof of claim filed with the Monitor prior to the Claims Bar Date in accordance with the Claims Procedure Order;

“Pro-Rata Share” means, in respect of any Creditor on account of its Proven Product Claim or in respect of any Claimant on account of its Undetermined Product Claim, the ratio determined by the following formula:
$$\text{Pro Rata Share} = \frac{\text{Quantum of the Proven Product Claim or Face Value of the Undetermined Product Claim}}{\text{Aggregate quantum of all Proven Product Claims on the date of the distribution} + \text{aggregate quantum of the Face Values of all Undetermined Product Claims on the date of the distribution}};$$

“Proven Claim” means a Claim finally determined for voting and distribution purposes in accordance with the provisions of the Claims Procedure Order, this Plan and any subsequent Order of the Court, as the case may be, and a “Proven Claim” means any one of them;

“Proven Product Claim” means a Product Claim finally determined for voting and distribution purposes in accordance with the provisions of the Claims Procedure Order, this Plan and any subsequent Order of the Court, as the case may be, and a “Proven Product Claim” means any one of them;

“Public Information Campaign” has the meaning ascribed to it in ARTICLE 5 of the Plan: a campaign to inform the public that certain faucet products formerly distributed by Aquadis are affected by defects causing water damages due to leaks, fissuring, or ruptures which has been approved by the Creditors’ Committee;

“Required Majority” has the meaning ascribed to it in Section 2.3 of the Plan: Creditors which are entitled to vote and represent at least one half in number of Proven Claims and two-thirds in value of Proven Claims actually vote on the resolution approving the Plan (in person or by proxy) at the Meeting;

“Restructuring Support Agreement” means the Restructuring Support Agreement entered into on or around December 9, 2015 between the Monitor, Desjardins General Insurance Inc., The Personal General Insurance Inc., Intact Insurance Company, AVIVA Insurance Company of Canada, La Capitale General Insurance Inc., L’Unique General Insurance Inc., Royal & Sun Alliance Insurance Company of Canada and Promutuel Insurance Inc. on behalf of certain mutual insurance associations;

“Sanction Hearing” means the hearing of the application at which the Monitor will seek approval of the Sanction Order;

“Sanction Order” means an Order made by the Court under the CCAA, among other things, to sanction, authorize and approve the Plan;

“Settlement Certificate of the Monitor” means, for each Settlement, a certificate to be issued, posted on the Monitor’s Website for a duration of 10 years and filed with the Court by the Monitor declaring the name (or names) of the Subsequent Settling Party (or Subsequent Settling Parties) and that: (i) the Monitor has entered into a Settlement; and (ii) the conditions precedent to the Settlement, to the exception of the filing of the Settlement Certificate of the Monitor, have been fulfilled or waived; (iii) the Subsequent Settling Party (or Subsequent Settling Parties) is, as of the date of the Settlement Certificate of the Monitor, fully, finally, absolutely, unconditionally, completely, irrevocably and forever released and discharged of any Product Claim of any Person;

“Settlement” has the meaning ascribed to it in Subsection 4.1(b) of the Plan: any settlement of Product Claims to be entered into by the Monitor on behalf of Aquadis or its creditors, with the approval of the Creditors’ Committee or the Court, and, for greater certainty, does not include the Transaction and Release Agreements entered into with the Initial Settling Parties;

“Subject Parties” means collectively Desjardins General Insurance Inc., The Personal General Insurance Inc., Intact Insurance Company, La Capitale General Insurance Inc., L’Unique General Insurance Inc., Royal & Sun Alliance Insurance Company of Canada, AVIVA Insurance Company of Canada, Bélair Insurance Company Inc., RBC Insurance Company of Canada, Promutuel Bagot, société mutuelle d’assurance générale, Promutuel Bois-Francs, société mutuelle d’assurance générale, Promutuel Boréale, société mutuelle d’assurance générale, Promutuel Chaudière-Appalaches, société mutuelle d’assurance générale, Promutuel De L’Estuaire, société mutuelle d’assurance générale, Promutuel Deux-Montagnes, société mutuelle d’assurance générale, Promutuel du Lac au Fleuve, société mutuelle d’assurance générale, Promutuel La Vallée, société mutuelle d’assurance générale, Promutuel Lanaudière, société mutuelle d’assurance générale, Promutuel L’Outaouais, société mutuelle d’assurance générale, Promutuel Montmagny-L’Islet, société mutuelle d’assurance générale, Promutuel Réassurance, Promutuel Portneuf-Champlain, société mutuelle d’assurance générale, Promutuel Rive-Sud, société mutuelle d’assurance générale, Promutuel Vallée du St-Laurent, société mutuelle d’assurance générale, Promutuel Vaudreuil-Soulanges, société mutuelle d’assurance générale, [...] Promutuel Verchères-Les Forges, société mutuelle d’assurance générale, SSQ Insurance Company Inc., Certas Home and Auto Insurance Company, and Certas Direct Insurance Company;

“Subsequent Settling Parties” means any Person with which the Monitor enters into a Settlement, as evidenced by the Settlement Certificate of the Monitor for such Settlement;

“Tax Statutes” means section 159 of the Tax Act, section 270 of the Excise Tax Act, section 14 of the Tax Administration Act (Québec), or any other similar, federal, provincial or territorial tax legislation;

“Tax” means all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer, health, excise, franchise, real property, and personal property taxes and other taxes, customs, duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers' compensation premiums, together with any instalments with respect thereto, and any interest, penalties, fines, fees, other charges and additions with respect thereto;

“Total Recovered Amounts” means the aggregate amount of the funds paid to the Monitor as a result of the Transaction and Release Agreements entered into with the Initial Settling Parties, any Settlement and any Judgment, and as proceeds of any other assets of Aquadis;

“Unaffected Claimant” means a Person holding an Unaffected Claim;

“Unaffected Claims” has the meaning given to that term in Section 3.1 of the Plan: all of the Causes of Action referred to in Section 3.1 of the Plan;

“Undetermined Claim” means a Claim that has not been finally determined for voting and distribution purposes in accordance with the provisions of the Claims Procedure Order and this Plan;

“Undetermined Product Claim” means a Product Claim that has not been finally determined for voting and distribution purposes in accordance with the provisions of the Claims Procedure Order and this Plan;

SCHEDULE "B"
PURCHASERS

4338553 Canada Inc. (Chester Dawe)
4536631 Canada Inc. (Quinc. Durand)
Adelard Lehoux & Fils Ltee
Alano Inc (Michael Del Priore)
Aqua-Blue Niagara Ltd.
Aquadis U.S.A.
Aquadis Web (U.S.A.)
Aquadis Web (Canada)
Bain Dépôt
Bo-Bain Inc.
Boiseries Alpin Woodwork Inc.
Brunet Plumbing Supply
Castle Building Centres
Central Sales Agency
Centre Reno. Dynaco
Ceramique Pavigres Inc.
Chalifour Canada. #11911
Charles E.Bedard Ltee
Customer Service
D.C. Plomberie Ltee
Drumheller Co-Op Ltd.
Dupont Plumbing & Heating Supplies Inc.
Dynasty Bathrooms Ltd.
E Faucets.Com
E.G. Penner Building Centre Ltd.
Eau Salle De Bain
Econobois 96
Electrical & Plumbing Store (Gloucester)
Fabricators Supply Inc.
Federated Co-Operatives Limited
Ferlac Inc (St-Felicien)
Fibretech Distributors Inc.
Fixture Universe (Allied Trade Group)
Fred's Plumbing & Heating
Greenslade Bath Inc.
Griffin Sales
Grossiste Mr Boucher Inc.
Groupe Bmr Inc.
Groupe Gaston Cote
Groupe Maburco
Guillevin International (Grand)
Hawkesbury Lumber Supply Ltd.
Home Hardware Store Ltd.
J.& M. Gregoire Inc.
J.P Constantineau (Rona Mont-Laurier)
Jacques Laferte Ltee
Kent Building Supplies
Kincardine Tim-Br Mart

Krevco Enterprises Ltd.
L.G.C. Inc.
Lalande Plumbing Plomberie Inc
Laurent Lapointe Limitee
Le Groupe Gagnon
Les Boutiques Elegancia
Les Entreprises P. Bonhomme Ltee
Louis Hardy S.A.
Lubie Decor Inc.
Maison Supreme, Les Ent.A.& R.Savoie,
Marcel Baril Ltee
Materiaux Bedard Inc.
Materiaux Const.Letourneau Inc.
Materiaux Laurentiens Inc.
Materiaux R.M.Bibeau (Sorel)
Mike Zoroya
Moffatt & Powell Ltd.
Msa Group
Nutrinor (St-Bruno)
Ostiguy & Freres Inc.
Ottawa Valley Home Improvement
Patrick Morin Inc.
Pettis Plumbing & Heating
Plomberie Du Boulevard Enrg
Plomberie du Coteau Inc.
Plomberie Herve St-Denis Ltee
Plomberie Houle Cayer Beaulac Inc.
Plomberie J. Vachon Inc.
Plomberie Michel Poirier
Plomberie Montcalm
Plomberie Normand Poirier Inc.
Plomberie Richer & Fils
Plomberie Sabourin Ltee
Plumbing & Parts
Potvin & Bouchard Inc.
Quincaillerie Co-Op Ste-Catherine
Quincaillerie Mistassini Inc.
R.Marcil & Freres Inc.
Rona Inc.
S.C.A St-Ubalde
Saunders Bath & Kitchen Gallery
Skb Wholesale
Steers Group Limited
Superior Lighting & Bath
The Home Depot Of Canada Inc.
Tim-Br-Marts Ltd.
Trout Sales
Unimat Labrie Ltee
United Service Agents USA LLC
W.Bryant Shears Ltd.
Watson Timbr-Mart
Weeks Of Waterdown