

CANADA

**SUPERIOR COURT
Commercial Division**

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C. c.
C-36)

N°: 500-11-049256-155

IN THE MATTER OF THE PLAN OF
COMPROMISE AND ARRANGEMENT OF:

**MAGASIN LAURA (P.V.) INC. / LAURA'S
SHOPPE (P.V.) INC.**

Debtor / Petitioner

-and-

KPMG INC.

Monitor

**MOTION FOR AN ORDER FOR THE FILING OF THE PLAN OF COMPROMISE AND
ARRANGEMENT AND THE CALLING OF A CREDITORS' MEETING
(Sections 4, 9, 11 and 22 of the *Companies' Creditors Arrangement Act*,
R.S.C. 1985, c. C-36)**

**TO THE HONOURABLE JUSTICE MARIE-ANNE PAQUETTE OR TO ONE OF THE
OTHER HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN THE
COMMERCIAL DIVISION, IN AND FOR THE DISTRICT OF MONTREAL, THE
PETITIONER RESPECTFULLY SUBMITS AS FOLLOWS:**

I. INTRODUCTION

1. On August 12, 2015, this Honourable Court issued an order extending the protection of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**") to Laura's Shoppe (P.V.) Inc. (the "**Petitioner**") pursuant to Section 11.02 of the CCAA (the "**Initial Order**").
2. Pursuant to the Initial Order, KPMG Inc. was appointed as monitor of the Petitioner (the "**Monitor**") and a stay of proceedings was ordered until and including September 11, 2015 (as extended, the "**Stay Period**").
3. On September 11, 2015, this Honourable Court issued an order extending the Stay Period until November 30, 2015.

4. Additionally, on September 11, 2015, this Honourable Court issued an order, *inter alia*, establishing a claims bar date of October 21, 2015 for filing proofs of claim with the Monitor and approving the form, manner and filing procedure for such proofs of claim (the "**Claims Procedure Order**").
5. The present Motion seeks an order from the Court:
 - (a) authorizing the filing of the Petitioner's "Plan of Compromise and Arrangement" under the CCAA produced herewith as **Exhibit P-1** (the "**Plan**");
 - (b) authorizing the calling and conduct of a meeting of creditors for the purposes of voting on the Plan; and
 - (c) granting such other and further relief as the Court deems appropriate.

II. PLAN OF COMPROMISE AND ARRANGEMENT

6. The Petitioner, with the assistance of its advisors and the Monitor, has developed its Plan, the whole as appears from a copy of the Plan produced herewith as **Exhibit P-1**;
7. In particular, the Plan, *inter alia*, provides for the following:
 - (a) the distribution of \$4 million to the therein defined "Affected Creditors" (the "**Affected Creditors**") to be distributed in accordance with the terms of the Plan;
 - (b) the release of all claims against the Petitioner and its directors, officers and employees to the extent provided under the CCAA;
 - (c) the subordination and postponement of the therein defined "Fisher Group Claims" in the manner set out in the Plan; and
 - (d) the waiver and renunciation by any member of the therein defined "Fisher Group" of their right to make a claim in the Plan.
8. Pursuant to the Plan, all of the Petitioner's unsecured creditors are included in one class of creditors. The Plan is not addressed to holders of an "Administration Claim", "DIP Claim" or "KERP Claim" as defined in the Plan. Additionally, the Plan is not addressed to any of the Petitioner's other secured creditors, in general, and Salus Capital Partners, LLC, in particular.
9. The implementation of the Plan is subject to certain conditions precedent occurring or being waived before December 15, 2015, or such later date as may be ordered by the Court, including, *inter alia*, the following:

- (a) an order be issued by this Honourable Court sanctioning the Plan; and
- (b) the therein defined "Replacement Loan" be disbursed.

III. CREDITORS' MEETING

- 10. The extension of the Stay Period has allowed the Monitor to begin implementing the claims process pursuant to the Claims Procedure Order.
- 11. As previously mentioned, the Petitioner intends on holding a creditors' meeting for the purposes of voting on the Plan and, if the Plan is accepted by the required majority of Affected Creditors, it shall present a motion to sanction the Plan.
- 12. Accordingly, the Petitioner respectfully requests that this Honourable Court issue an order pursuant to which a meeting of creditors can be called and conducted.

FOR THESE REASONS, MAY IT PLEASE THIS HONOURABLE COURT TO:

- (A) **GRANT** the present Motion;
- (B) **ISSUE** the *Order for the Filing of the Plan of Compromise and Arrangement and the Calling of a Creditors' Meeting* pursuant to the *Companies' Creditors Arrangement Act* substantially in the form of the draft Order produced herewith as **Exhibit P-2**;

THE WHOLE without costs, save and except in the event of contestation.

MONTREAL, October 16, 2015

(SGD.) Kugler Kandestin LLP

KUGLER KANDESTIN LLP

TRUE COPY

Kugler Kandestin L.L.P.
KUGLER KANDESTIN LLP

CANADA

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Debtor / Petitioner

-and-

KPMG INC.

Monitor

AFFIDAVIT

I, the undersigned, **KALMAN FISHER**, businessman, doing business in the City of Montreal, Province of Quebec and residing at 4 Granville, in the City of Hampstead, Province of Quebec, solemnly affirm that:

1. I am the President of the Petitioner; and
2. All of the facts alleged by the Petitioner in the present *Motion for the Filing of the Plan of Compromise and Arrangement and the Calling of a Creditors' Meeting* which do not appear of record in this Court file are true and correct.

AND I HAVE SIGNED:

(SGD.) Kalman Fisher
KALMAN FISHER

SOLEMNLY AFFIRMED before me at the
City of Montreal, Province of Quebec, this
16th day of **October, 2015**.

TRUE COPY

Kugler Kandestin LLP
KUGLER KANDESTIN LLP

(SGD.) Darlene W.Pitt #198 577
**Commissioner of Oaths for the Province of
Quebec**

CANADA

**SUPERIOR COURT
Commercial Division**

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Debtor / Petitioner

-and-

KPMG INC.

Monitor

NOTICE OF PRESENTATION

TO: SERVICE LIST

TAKE NOTICE that the present *Motion for the Filing of the Plan of Compromise and Arrangement and the Calling of a Creditors' Meeting* will be presented for adjudication before the Honourable Marie-Anne Paquette, J.S.C., sitting in the Commercial Division of the Superior Court of Quebec, in and for the district of Montreal, on **October 23rd, 2015 at 9:00 am** in a room to be announced.

DO GOVERN YOURSELVES ACCORDINGLY

MONTREAL, October 16, 2015

(SGD.) Kugler Kandestin LLP
KUGLER KANDESTIN LLP
Attorneys for Petitioner

TRUE COPY

Kugler Kandestin LLP.
KUGLER KANDESTIN LLP

CANADA

**SUPERIOR COURT
Commercial Division**

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

(Sitting as a court designated pursuant to the
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Debtor / Petitioner

-and-

KPMG INC.

Monitor

LIST OF EXHIBITS

- EXHIBIT P-1:** Petitioner's Plan of Compromise and Arrangement
- EXHIBIT P-2:** Draft Order for the Filing of the Plan of Compromise and Arrangement and the Calling of a Creditors' Meeting

MONTREAL, October 16, 2015

(SGD.) Kugler Kandestin LLP
KUGLER KANDESTIN LLP
Attorneys for Petitioner

TRUE COPY

Kugler Kandestin LLP
KUGLER KANDESTIN LLP

EXHIBIT P-1

Plan of Compromise and Arrangement

CANADA

SUPERIOR COURT
(Commercial Division)

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

(Sitting as a court designated pursuant to the
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IN THE MATTER OF THE PLAN OF
COMPROMISE AND ARRANGEMENT OF:

**MAGASIN LAURA (P.V.) INC. /
LAURA'S SHOPPE (P.V.) INC.**

Debtor/Petitioner

-and-

**BOUTIQUE LAURA CANADA LTÉE /
LAURA'S SHOPPE CANADA LTD.**

-and-

3482731 CANADA INC.

-and-

9318-5494 QUEBEC INC.

-and-

KALMAN FISHER

Stayed Parties

-and-

KPMG INC.

Monitor

PLAN OF COMPROMISE AND ARRANGEMENT
Under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36

SECTION 1 INTERPRETATION

1.1 Definitions

In this Plan, unless otherwise stated or the context otherwise requires:

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Affected Claim" means any Claim other than an Unaffected Claim. For greater certainty, **Affected Claims** include Disclaimed Landlord Claims, any Claim of Her Majesty the Queen in right of Canada or any province (other than Crown Priority Claims), Directors Claims and Restructuring Claims;

"Affected Creditor" means a Creditor holding an Affected Claim, but only to the extent of its Affected Claim;

"Affected Creditors Class" has the meaning set forth in **Section 2.2** hereof;

"Aggregate Distribution" has the meaning set forth in **Section 2.4** hereof;

"BIA" means the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended;

"Business Day" means a day, other than a Saturday, a Sunday, or a non-judicial day (as defined in article 6 of the *Quebec Code of Civil Procedure*, R.S.Q., c. C-25, as amended);

"CCAA" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

"CCAA Charge(s)" means the Administration Charge, the DIP Lender Charge and the KERP Charge;

"CCAA Proceedings" means proceedings in respect of the Company before the Court commenced, taken up and continued under the CCAA;

"Certificate of Implementation" has the meaning set forth in **Section 8.3** hereof;

"Certificate of Performance" has the meaning set forth in **Section 6.1** hereof;

"Certificate of Non-Implementation" has the meaning set forth in **Section 8.5** hereof;

"Chair" means a representative of the Monitor, or any other individual designated by the Monitor to preside as chairperson at the Creditors' Meeting;

"Claim" means any right of any Person against the Company in connection with any indebtedness, liability or obligation of any kind of the Company owed to such Person and any interest, or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing, or transactions which occurred, prior to the Determination Date, or which would have been claims provable in bankruptcy had the Company become bankrupt on the Determination Date, and, without limitation, including any Restructuring Claim, but excluding any Unaffected Claim and **"Claims"** means all of them;

"Claims Bar Date" has the meaning as set forth in the Claims Procedure Order;

"Claims Procedure Order" means the "Claims Procedure Order" issued by the Court on September 11, 2015, establishing, among other things, procedures for proving Claims, as amended or supplemented from time to time by further Order(s) of the Court;

"Company", "Debtor" or "Petitioner" means Magasin Laura (P.V.) Inc./Laura's Shoppe (P.V.) Inc.;

"Court" means the Commercial Division of the Quebec Superior Court for the District of Montreal;

"Creditor(s)" means any Person(s) having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person(s);

"Creditors' Meeting" means the meeting of Affected Creditors to be convened for the purposes of voting on the Plan, or any adjournment of such meeting;

"Crown Priority Claims" means any Claims of Her Majesty the Queen in right of Canada or in right of any province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of Her Majesty the Queen in right of Canada or in right of any Province other than Crown Priority Claims shall be an Affected Claim hereunder;

"Determination Date" means July 31, 2015, being the date on which the Company commenced proceedings under the *BIA* by filing a notice of intention to make a proposal thereunder, which proceedings were subsequently taken up and continued by the *CCAA* Proceedings under the *CCAA*;

"DIP Claim" means any and all obligations of the Company to the DIP Lender pursuant to the DIP Facility Documents or the Initial Order as of the Plan Implementation Date;

"DIP Facility Documents" means the "Interim Financing Term Sheet" dated August 10, 2015 by and among the Company and the DIP Lender (as amended, modified, restated and/or supplemented from time to time) together with any related collateral, loan or security documents executed in connection therewith or which relate thereto;

"DIP Lender" means The Cadillac Fairview Corporation Limited;

"DIP Lender Charge" means the "Interim Lender Charge" as set forth in the Initial Order;

"Directors" means all of the Company's past and present directors as well as any Persons who were or are deemed to be directors of the Company pursuant to any applicable Laws;

"Directors' Claims" means all Claims, of any nature or source whatsoever, of any of the Creditors against any or all of the Directors which arose before the Determination Date and which relate to obligations of the Company where such Directors are by law liable in their capacity as directors for payment of such obligations. Director's Liability shall, however, exclude all Claims which (i) relate to contractual rights of one or more Creditors arising from contracts with one or more Directors, including any guarantees given by any Directors relating to the Company's obligations, (ii) seek injunctive relieve against any of the Directors in relation to the Company, or (iii) are based on allegations of misrepresentation made by any Directors to Creditors or of wrongful or oppressive conduct by Directors;

"Disallowed Claim" means any Claim, or that portion thereof which has been revised or disallowed by the Monitor pursuant to the Claims Procedure Order or any other Order in respect of which an appeal by the Creditor has been dismissed or all appeal periods, if any, have expired;

"Disclaimed Leases" means each and every one of the leases and/or other agreements for the occupancy of real or immovable property (as well as all amendments thereto and renewals thereof) which (i) were disclaimed or resiliated by the Company pursuant to Section 60 (1.1) of the *BIA* (as recognized by the Initial Order) or Section 32 of the *CCAA*, as exhaustively enumerated in the annex forming part of this Plan, and (ii) may hereafter be disclaimed or resiliated by the Company pursuant to Section 32 of the *CCAA*, to the extent (in either case) that any such disclaimers or resiliations have not

been or shall not hereafter be rescinded by the Company, and **"Disclaimed Lease"** means each of them;

"Disclaimed Landlord" means the landlord under any Disclaimed Lease and **"Disclaimed Landlords"** means all of them;

"Disclaimed Landlord Claims" means all Proven Claims of the Disclaimed Landlords for losses incurred by Disclaimed Landlords in relation to Disclaimed Leases, as provided for in Section 32(7) of the CCAA and **"Disclaimed Landlord Claim"** means any of them;

"Disputed Claim" means a Claim or that portion thereof that is the object of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim or a Disallowed Claim;

"Excluded Claim" means any right of any person against the Company in connection with any indebtedness, liability or obligation of any kind which arose with respect to transactions which occurred after the Determination Date and any interest thereon, including the Administration Claim, the DIP Claim, a KERP Claim and any obligation of the Company towards creditors who have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to the Company after the Determination Date, but only to the extent of their claims in respect of the supply of such services, utilities, goods, materials or funds after the Determination Date and to the extent that such claims are not otherwise affected by the Plan. For greater certainty, a Restructuring Claim is not an Excluded Claim;

"Excluded Creditor" means a Person having a claim in respect of an Excluded Claim but only in respect of such Excluded Claim and to the extent that the Plan does not otherwise affect such claim;

"Fisher Group" means Kalman Fisher, 3482731 Canada Inc., 9318-5494 Quebec Inc. (formerly 7735235 Canada Inc.) and any Person who/which is, or was at any time within the 12 consecutive months immediately preceding the Determination Date, a Related Person to Kalman Fisher;

"Fisher Group Claims" means any Claims for payment of principal on any loans or advances made to the Company (or its predecessor) at any time prior to the Determination Date by any member of the Fisher Group, which includes any Secured Claim by any member of the Fisher Group, but excludes any Claims or future claims by any member of the Fisher Group for (i) salary (or other remuneration), (ii) reimbursement of business expenses, or (iii) payment of principal on any loans or advances in lieu of salary (or other remuneration);

"Gift Card Claim" has the meaning set forth in **Section 2.3 (a)(v)** hereof;

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" means the "Initial Order" issued by the Court on August 12, 2015, as renewed and amended by the Court from time to time, under the CCAA;

"KERP Charge" has the meaning ascribed to such term in the Initial Order;

"KERP Claim" means a claim or any other indebtedness or obligation secured by the KERP Charge and **"KERP Claims"** means all of them;

"Laws" means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, injunctions, orders or decisions of any Governmental Authority, statutory body or self-regulatory authority, including general principles of law having the force of law and the term **"applicable"** with respect to such Laws and, in the context that refers to any Person, means such Laws as are applicable to such Person or its business, undertaking, property or securities and emanate from a Governmental Authority or self-regulatory authority having jurisdiction over the Person or its business, undertaking, property or securities;

"Meeting Date" means the date fixed for the Creditors' Meeting in accordance with the Meeting Procedure Order, or any subsequent Order, or any subsequent date following any adjournment of that meeting, as the case may be;

"Meeting Procedure Order" means the "Meeting Procedure Order" issued or to be issued by the Court upon or following the filing of this Plan with the Court;

"Monitor" means KPMG Inc., in its capacity as Monitor, as appointed by the Court pursuant to the Initial Order;

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Order" means any order of the Court in the CCAA Proceedings;

"Original Currency" has the meaning set forth in **Section 7.7** hereof;

"Payment Date" and **"Payment Dates"** have the meaning set forth in **Section 2.4** hereof;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, trustee, executor, administrator, legal personal representative, estate, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Plan" means the present "Plan of Compromise and Arrangement" of the Company pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Company from time to time in accordance with its terms;

"Plan Implementation Conditions" has the meaning set forth in **Section 8.1** hereof;

"Plan Implementation Date" means the date, on or prior to the Plan Implementation Deadline, upon which all of the Plan Implementation Conditions have occurred or have been satisfied or waived;

"Plan Implementation Deadline" has the meaning set forth in **Section 8.1** hereof;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means, in respect of a Creditor, the amount of the Claim of such Creditor as finally determined for distribution purposes in accordance with the provisions of this Plan, the CCAA and the Claims Procedure Order;

"Related Persons" has the meaning set forth in **Section 4** of the *BIA*;

"Released Party" and **"Released Parties"** have the meanings as set forth in **Section 6.2** hereof;

"Replacement Lender(s)" means the Person(s) who will provide the Replacement Loan;

"Replacement Loan" means the loans and/or other credit facilities to be provided to the Company by the Replacement Lender(s) in order to completely discharge and release **(i)** any then remaining DIP Claim and the DIP Lender Charge, and **(ii)** the Salus Claim and the Salus Security;

"Required Majorities" means the affirmative vote of a majority in number of the Affected Creditors voting in the Affected Creditors Class, having Voting Claims and voting on the Plan (in person or by proxy) at the Creditors' Meeting and representing not less than 66-2/3% in value of the Voting Claims of the Affected Creditors voting (in person or by proxy) at the Creditors' Meeting;

"Reserve(s)" means the reserve(s) to be established and maintained under this Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims as of any Payment Date;

"Resolution" means, collectively, one or any of, the resolutions providing for the approval of the Plan by the Affected Creditors;

"Restructuring Claim" means any right or claim of any Person against the Company in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Company's restructuring under the CCAA and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanctions by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. Without limiting the generality of the foregoing, a Restructuring Claim shall include a Disclaimed Landlord Claim, but shall exclude any claim of any landlord in respect of any lease for real or immovable property other than claims of Disclaimed Landlords. For greater certainty, a Restructuring Claim is an Affected Claim;

"Salus" means Salus Capital Partners, LLC or any Person acting on its behalf, in its place or as its successor;

"Salus Claim" means, at any given time, all indebtedness and obligations owing by the Company to Salus;

"Salus Security" means all mortgages, hypothecs, pledges, charges, liens, privileges, security interests, guarantees, suretyships or other rights securing and/or guaranteeing the Salus Claim, held by or on behalf of Salus (i) over any and all present and future property of the Company, any of the Stayed Parties, and/or any other Person, and/or (ii) against the Company, any of the Stayed Parties and/or any other Person;

"Sanction Date" means the date on which the Sanction Order is issued;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or amended on appeal, in form and content which is satisfactory to the Petitioner acting reasonably;

"Section 6(5) Claim" means any claim of an employee or former employee described in Section 6(5) of the CCAA but only to the extent of such amounts as required to be paid under the CCAA;

"Section 19(2) Claims" means any claim described in Section 19(2) of the CCAA;

"Secured Claim" means the Claim of a Secured Creditor, to the extent of the value of such Secured Creditor's security;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor's mortgage, hypothec, pledge, charge, lien, privilege, security interest or other rights over the property of the Company was valid, opposable, perfected, and could be set up against third parties, including a trustee to the Company's bankruptcy, on both the Determination Date and the Claims Bar Date, failing which that Secured Creditor will be deemed to be an "unsecured creditor", as defined in the CCAA;

"Stayed Parties" means Boutique Laura Canada Ltée/Laura's Shoppe Canada Ltd., 3482731 Canada Inc., 9318-5494 Quebec Inc. (formerly 7735235 Canada Inc.) and Kalman Fisher;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employer health, pension plan, anti-dumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Unaffected Claim" means any right of any Person in connection with any indebtedness, liability or obligation of any kind of the type described in **Section 2.3 (a)** hereof. For greater certainty, the Unaffected Claims include the Excluded Claims;

"Unaffected Creditor" means a Person having a Claim in respect of an Unaffected Claim, but only in respect of such Unaffected Claim, and for greater certainty, includes an Excluded Creditor;

"Voting Claim" means, in respect of a Creditor, the amount of such Creditor's claim which has been accepted for voting purposes in accordance with the provisions of this Plan, the Claims Procedure Order and the CCAA;

1.2 Interpretation

For purposes of this Plan:

- (a) any reference in this Plan to a contract, instrument, release, indenture, agreement or other document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference in this Plan to an existing document or exhibit filed or to be filed means such document or exhibit as it may have been or may be amended, modified or supplemented;
- (c) all references to currency and to "\$", "C\$" or "Dollars" are to Canadian dollars except as otherwise indicated;
- (d) all references in this Plan to Sections are references to Sections of this Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to this Plan in its entirety rather than to any particular portion of this Plan;
- (f) the division of this Plan into Sections and paragraphs and the insertion of captions and headings to Sections and paragraphs are for convenience of reference only and are not intended to affect the interpretation of, or to be part of this Plan;
- (g) where the context requires, a word or words importing the singular shall include the plural and vice versa and a word or words importing one gender shall include all genders;
- (h) the words "includes" and "including" are not limiting; and
- (i) the word "or" is not exclusive.

1.3 Date For Any Action

In the event that any date (including any Payment Date) on which any action (including any payment) is required to be taken under this Plan by any of the parties is not a Business Day, that action (including any payment) shall be required to be taken on the next succeeding day which is a Business Day.

1.4 Statutory References

Any reference in this Plan to a statute includes all regulations made thereunder and all amendments to such statute or regulations in force, from time to time, or any statute or regulations that supplement or supersede such statute or regulations.

SECTION 2 **COMPROMISE AND ARRANGEMENT**

2.1. Persons Affected

The purpose of this Plan is to provide for the full and final settlement of all Affected Claims. Except as specifically provided for in this Plan, this Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Company will be fully and finally, settled, compromised and released in this Plan upon the Aggregate Distribution being fully paid to the Monitor, it being understood that any Affected Claim that is paid in full pursuant to this Plan before such date shall be settled, compromised and released on the date of such payment. This Plan shall be binding on and enure to the benefit of the Company, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons who have received the benefit of, or are bound by any waivers, releases or indemnities hereunder.

2.2. Classes of Affected Claims

There shall only be one class of Affected Creditors for the purpose of voting on, and receiving distributions pursuant to this Plan, being the "**Affected Creditors Class**".

2.3. Unaffected Claims

- (a) This Plan does not affect the following claims (each, an "**Unaffected Claim**" and, collectively, the "**Unaffected Claims**"), the holders of which will not be entitled to vote at the Creditors' Meeting or receive any distributions under this Plan, namely:
- (i) the Excluded Claims;
 - (ii) any Administration Claim;
 - (iii) any DIP Claim;
 - (iv) any KERP Claims;

- (v) any claim with respect to gift-cards, gift certificates, lay-away deposits and other customer certificates (collectively, "**Gift Card Claims**");
- (vi) Crown Priority Claims;
- (vii) Section 6(5) Claims;
- (viii) Section 19(2) Claims;
- (ix) Secured Claims;
- (x) the Salus Claim; and
- (xi) Fisher Group Claims,

all of which will be dealt with in **Section 3** hereof;

- (b) Nothing in this Plan shall affect the Company's rights and defences, both legal and equitable, with respect to any Unaffected Claim including any rights arising under or pursuant to the Claims Procedure Order or this Plan or any rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

2.4. Treatment of Affected Claims

By no later than each of the payment dates hereafter set forth (collectively the "**Payment Dates**" or individually a "**Payment Date**"), the aggregate sum of \$4 Million (the "**Aggregate Distribution**"), without any interest whatsoever thereon, shall be paid by the Company to the Monitor and shall thereafter be distributed by the Monitor to the Affected Creditors, according to the amount of their respective Proven Claims as hereafter set forth, namely:

- (a) by no later than April 30, 2016, \$1 Million shall be paid by the Company to the Monitor, which shall thereafter be distributed by the Monitor as follows:
 - (i) an amount equal to the lesser of **(A)** the Proven Claim of each Affected Creditor, or **(B)** \$1,250, shall be distributed by the Monitor to the Affected Creditors, according to the amount of their Proven Claims; and
 - (ii) an amount equal to the difference between **(A)** \$1 Million, and **(B)** the aggregate amount to be distributed by the Monitor pursuant to **Section 2.4 (a)(i)** above, shall be distributed by the Monitor to the Affected Creditors on a *pro rata* basis, according to the amounts of their

respective Proven Claims, less any amounts received in respect of the amounts set forth in **Section 2.4 (a)(i)** above;

- (b) by no later than July 31, 2016, \$1 Million shall be paid by the Company to the Monitor, which shall thereafter be distributed by the Monitor to the Affected Creditors on a *pro rata* basis, according to the amounts of their respective Proven Claims, less any amounts received in respect of the distribution under **Section 2.4 (a)** hereof;
- (c) by no later than December 15, 2016, \$1.8 Million shall be paid by the Company to the Monitor, which shall thereafter be distributed by the Monitor to the Affected Creditors on a *pro rata* basis, according to the amounts of their respective Proven Claims, less any amounts received in respect of the distributions under **Sections 2.4 (a)** and **2.4 (b)** hereof; and
- (d) by no later than February 15, 2017, \$200,000 shall be paid by the Company to the Monitor, which shall thereafter be distributed by the Monitor to the Affected Creditors on a *pro rata* basis, according to the amounts of their respective Proven Claims, less any amounts received in respect of the distributions under **Sections 2.4 (a)**, **2.4 (b)** and **2.4 (c)** hereof.

2.5. Settlement of Affected Claims

The payment of the entire Aggregate Distribution to the Monitor as set forth in **Section 2** hereof shall constitute the full and final payment, reduction, settlement and transaction (as envisaged by the relevant provisions of the *Civil Code of Quebec*) of all of the Affected Claims of all of the Affected Creditors and engage the releases and other provisions set forth in this Plan.

2.6. Extension of Payment Dates

Any or all of the Payment Dates may be extended by the Company with the consent of the Monitor, by additional periods not exceeding, in each case, 60 days. On application by the Company or, the Monitor made prior to a Payment Date or, if applicable, prior to the expiry of any extension thereof as described above, the Court may issue Orders extending (or further extending) any or all of the Payment Dates for any additional period(s) deemed appropriate by the Court in the then existing circumstances.

2.7. Prepayment Rights

The Company shall, at all times prior to the Final Distribution Date, be entitled to pre-pay the whole or any amount of the Aggregate Distribution prior to any Payment Date, whereupon the Amount(s) of any such pre-payment(s) shall be distributed by the Monitor

to the Affected Creditors in accordance with the provisions of **Section 2.4** hereof, *mutatis mutandis*.

SECTION 3
TREATMENT OF OTHER CLAIMS AND MATTERS

3.1 Treatment of the DIP Claim

On or before the earlier of (i) the Plan Implementation Date, or (ii) the date on which the DIP Claim becomes payable pursuant to the provisions of the DIP Facility Documents, the DIP Lender shall receive full payment of any remaining DIP Claim.

3.2 Treatment of Excluded Claims

Subject to **Section 3.1** hereof, the Excluded Claims (other than the Administration Claim, the DIP Claim and the KERP Claim) will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full by the Company in the normal course of its business as and when they become due.

3.3 Treatment of Administration Claims

All Administration Claims, if any, will be paid in full by the Company as and when they become due, and any remaining balance will be settled as soon as practicable after the Plan Implementation Date.

3.4 Treatment of Gift Card Claims

Gift Card Claims will be honored in accordance with the terms of the relevant gift card, gift certificate, lay-away deposit or other customer certificates upon presentation of such gift card, gift certificate, lay-away deposit or other customer certificates by the holder at any of the Petitioner's retail stores.

3.5 Treatment of Certain Crown Priority Claims

All Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full by the Petitioner within 6 months immediately following the Sanction Date;

3.6 Treatment of Section 6(5) Claims

All Section 6(5) Claims, if any, will be paid in such amounts as required under the CCAA immediately after the Sanction Date.

3.7 Treatment of Section 19(2) Claims

All Section 19(2) Claims, if any, will be paid by the Company as and when they become due, unaffected by this Plan.

3.8 Treatment of KERP Claims

Each KERP Claim will be paid by the Company as and when it becomes due.

3.9 Treatment of Secured Claims

Secured Claims (other than the Administration Claim, the DIP Claim, the KERP Claims and the Salus Claim) will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Company and the relevant Secured Creditor, or as may be ordered by the Court. For greater certainty, Secured Claims will be unaffected by this Plan.

3.10 Treatment of Salus Claim

The Salus Claim and the Salus Security will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Company and Salus, or as may be ordered by the Court. For greater certainty, the Salus Claim will be unaffected by this Plan.

3.11 Treatment of Fisher Group Claims

Conditional upon the enactment of a Resolution approving the Plan, issuance of the Sanction Order and implementation of the Plan as set forth in **Section 8** hereof, each member of the Fisher Group:

- (a) subordinates and postpones all of the Fisher Group Claims to and in favour of full payment of the Distribution Amount to the Affected Creditors, such that no member of the Fisher Group shall be entitled to receive any payment from the Company of any principal on any of the Fisher Claims unless and until the full Aggregate Distribution shall have been paid to the Monitor as set forth in the Plan; and
- (b) waives and renounces to any right to be an Affected Creditor.

SECTION 4
VALUATION OF CLAIMS, CREDITORS' MEETING AND RELATED MATTERS

4.1 Conversion of Affected Claims into Canadian Currency

For the purposes of determining the value of Affected Claims denominated in currencies other than Canadian dollars for voting purposes, such Affected Claims shall be converted by the Monitor to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging currency to Canadian dollars on the Determination Date (which in the case of US Dollars was C\$1.3080 for US\$1.00).

4.2 Affected Claims

Affected Creditors shall be entitled to prove their respective Affected Claims, vote their Voting Claims in respect of the Plan, and, if their Affected Claims become Proven Claims, receive the distributions, all as set forth in the Claims Procedure Order and this Plan.

All amounts recognized as Voting Claims or Proven Claims shall be net of any amount that the Company is entitled to offset, recoup, compensate or otherwise apply in reduction of such amounts.

4.3 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with this Plan, the Meeting Procedure Order, and any further Order which may be made from time to time for the purposes of considering and voting on the Resolution or other matters to be considered at the Creditors' Meeting.

4.4 Approval by Affected Creditors

The Company will seek approval of the Plan by the affirmative vote of the Required Majorities. The Resolution to be voted on at the Creditors' Meeting will be decided by the Required Majorities on a vote as set forth in the Meeting Procedure Order. The result of any vote will be binding on all Affected Creditors, whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting.

4.5 Claims Bar Date

If an Affected Creditor holding an Affected Claim has failed to file its Proof of Claim prior to the Claims Bar Date and has not been permitted to file a late claim pursuant to an Order, that Affected Creditor shall be barred from voting at the Creditors' Meeting, that Affected Creditor shall have no right to receive any distributions of the Aggregate

Distribution hereunder, the Company shall be released from the Affected Claims of such Creditor and **Section 6.2** of this Plan shall apply to all such Affected Claims.

SECTION 5

PROCEDURE FOR RESOLVING DISTRIBUTIONS IN RESPECT OF DISPUTED CLAIMS

5.1 No Distributions Pending Allowance

Notwithstanding any other provision of this Plan, no distributions of the Aggregate Distribution hereunder shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim. Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and this Plan.

5.2 Distribution From Reserve Once Disputed Claims Resolved

The Monitor shall make allocations from the Reserve to holders of Disputed Claims following any of the Payment Dates in accordance with this Plan. To the extent that Disputed Claims become Proven Claims after any relevant Payment Date, the Monitor shall, from time to time at its sole discretion, distribute from the Reserve to the holders of such Proven Claims, the amount which they would have been entitled to receive in respect of such Proven Claims had such Claims been Proven Claims on any relevant Payment Date. To the extent that any Disputed Claim or a portion thereof has become a Disallowed Claim, then the Monitor shall, at any time which it deems appropriate in the circumstances, distribute, to the holders of Proven Claims, their *pro rata* share from the Reserve of such additional amount kept in the Reserve on account of any such Disallowed Claim.

SECTION 6

EFFECT OF THE PLAN AND RELEASES

6.1 Effect of the Plan

Upon the Aggregate Distribution being fully remitted to the Monitor, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Performance**"), whereupon all Affected Claims shall be deemed to be fully and finally settled, compromised, released and transacted (as envisaged by the relevant provisions of the *Civil Code of Quebec*), as of the date of issuance of the Certificate of Performance, subject only to an Affected Creditor's right to recover the distributions under this Plan, except for Claims as may have been fully paid prior to such date, in which case those Affected Claims will be deemed to be settled as of such payment.

6.2 Releases

Upon the implementation of this Plan on the Plan Implementation Date, each of:

- (a) the Company;
- (b) the Monitor and its legal counsel in the CCAA Proceedings;
- (c) the Directors and all present and future officers and employees, legal counsel, financial advisors, consultants and agents of the Company (and their respective directors, officers and employees); and
- (d) the DIP Lender and its legal counsel in the CCAA Proceedings,

(each a "**Released Party**" and collectively the "**Released Parties**") shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person (including any Secured Creditor in respect of each Released Party, except the Company and solely in respect to its Secured Claim), may be entitled to assert (including any and all Claims in respect of statutory liabilities and any Directors' Claims of all Directors and all present and former officers and employees of the Company and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date in any way relating to, arising out of or in connection with Claims, the business and affairs of the Company, this Plan and the CCAA Proceedings, and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Company's obligations under the Plan or any related document), all to the full extent permitted by law.

6.3 **Exception to Releases**

Nothing set forth in **Section 6.2** hereof shall:

- (a) release or discharge a Released Party from an Unaffected Claim;
- (b) release or discharge the Company from or in respect of its obligations under this Plan;
- (c) affect the right of any Person:
 - (i) to recover an indemnity from any insurance coverage under which that Person is an insured; or

- (ii) to obtain recovery on a claim or liability against a Released Party from any insurance coverage pursuant to which that Released Party is an insured, but, for certainty, any claim or liability to which an insurer is or would otherwise be subrogated as against the Company is released hereunder and the recovery to which such Person shall be entitled under such insurance coverage shall be limited to the proceeds of insurance actually paid by the insurer with respect to such claim or liability;
- (d) release or discharge the Directors with respect to matters set out in **Section 5.1 (2)** of the CCAA; or
- (e) release or discharge any Person (whether or not a Director, officer or employee of the Company) other than the Company from any obligations arising from any guarantee furnished by such Person to and in favour of any Affected Creditor.

6.4 Set-Off Rights

Notwithstanding the releases set forth under the Plan, in general, and **Sections 6.1 and 6.2** hereof, in particular, all Claims shall remain subject to any rights of set-off that otherwise would be available to the Person against whom a Claim is asserted.

6.5 Injunction Related to Releases

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to this Plan.

6.6 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed by the Company or caused by the Company, directly or indirectly, or non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Company arising from the Company's insolvency, the Company's filing a notice of intention to make a proposal under the *BIA*, the filing by the Company under the CCAA or the transactions contemplated by this Plan or otherwise, and any and all notices of default and demands for payment under any instrument, including any guarantee arising from such default, shall be deemed to have been rescinded.

SECTION 7
PROVISIONS GOVERNING DISTRIBUTIONS

7.1 Partial Distributions for Claims Allowed

Except as otherwise provided herein or as ordered by the Court, distributions of the Aggregate Distribution shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, and partial distributions may be made prior to receipt of the full amount of the Aggregate Distribution. In such a case, all such partial payments shall represent the *pro rata* amount of the distribution to which the holders of a Proven Claim would otherwise be entitled to receive.

7.2 Currency to be used for the Distribution

For the purposes of determining any Claims denominated in currencies other than Canadian Dollars for distribution purposes, such Claims shall be converted by the Monitor to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging currency to Canadian dollars on the Determination Date (which in the case of US Dollars was C\$1.3080 for US\$1.00).

7.3 Assignment of Claims

For purposes of determining entitlement to receive a distribution pursuant to this Plan, the Company and the Monitor and each of their respective agents, successors and assigns shall have no obligation to recognize any transfer of Claims except as provided for under the Claims Procedure Order or the Meeting Procedure Order.

7.4 Interest on Affected Claims

Except as specifically provided in the Plan or the Sanction Order, interest shall not be treated as accruing on account of any Affected Claims for purposes of determining the allowance and distribution of such Affected Claim. To the extent that any Proven Claim to which a distribution under this Plan relates is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall, to the extent permitted by applicable Laws, be allocated for Tax purposes to the principal amount of such Proven Claim (including any secured and unsecured portion(s) of the principal amount of such Proven Claim) first and then, to the extent that the consideration exceeds the principal amount of the Proven Claim, to the portion of such Proven Claim representing accrued but unpaid interest (including interest in respect of any secured portion of such Proven Claim).

7.5 Distributions by Monitor

The Monitor shall make all distributions required under this Plan in accordance with the provisions of this Plan, in general, and the provisions of **Section 5** and **Section 7** hereof,

in particular. The Monitor shall receive, without further Court approval, reasonable compensation from the Company for distribution services rendered pursuant to the Plan.

7.6 Delivery of Distributions

- (a) Subject to **Section 7.3** hereof, distributions shall be made by the Monitor (i) at the addresses set forth on the Proof of Claim form filed by the Affected Creditors (or at the last known addresses of such Affected Creditors if no Proof of Claim form was filed or if the Company or the Monitor has been notified in writing of a change of address), (ii) at the addresses set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim, or (iii) in a registered retirement savings plan account designated by any employee of the Company;
- (b) If any distribution to a Creditor is returned as undeliverable, no further distributions to such Creditor shall be made unless and until the Monitor is notified of the then-current address of such Creditor, at which time all missed distributions shall be made to such Creditor without interest. The Company shall make reasonable efforts to locate Affected Creditors for which distributions were undeliverable. Any claim for undeliverable distributions must be made on or before the later to occur of (i) 3 months after the Payment Date, or (ii) 3 months after such Creditor's Claim becomes a Proven Claim, after which date all unclaimed property shall revert to the Company free of any restrictions or claims thereon and the claim of any Creditor with respect to such property shall be discharged and forever barred, notwithstanding any applicable Laws to the contrary.

7.7 No Double Recovery

The aggregate recovery on account of any Proven Claim from all sources, regardless of whether on account of a theory of primary or secondary liability, by reason of guarantee, surety, indemnity, joint and several obligation or otherwise, shall not exceed (i) 100% of the underlying indebtedness, liability or obligation giving rise to such Claim or, (ii) where the underlying indebtedness, liability or obligation giving rise to such Claim is denominated in a currency (the "**Original Currency**") other than Canadian dollars, 100% of such underlying indebtedness, liability or obligation after conversion of the value of the distributions received in Canadian dollars back to the Original Currency at the Bank of Canada noon spot rate of exchange for exchanging Canadian dollars to the Original Currency on the Determination Date.

7.8 Withholding Requirements

In connection with the Plan, any distribution made hereunder by the Monitor shall be made net of all applicable Taxes. Notwithstanding any other provision of the Plan, each

Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Taxes imposed by any Governmental Authority (including income, withholding and other Taxes on account of such distribution). The Monitor, as necessary, shall be authorized to take any and all actions as may be necessary or appropriate to comply with such withholding and reporting requirements. All amounts withheld on account of Taxes shall be treated for all purposes as having been paid to the Creditor in respect of which such withholding was made, provided such withheld amounts are remitted to the appropriate Governmental Authority.

SECTION 8

IMPLEMENTATION OF THE PLAN

8.1 Conditions Precedent to Implementation of Plan

The implementation of this Plan by the Company is subject to the occurrence and/or fulfillment of each of the following conditions precedent (the "**Plan Implementation Conditions**") on or prior to the December 15, 2015 or such later date as may be ordered by the Court (the "**Plan Implementation Deadline**"), namely:

- (a) this Plan shall have been approved by Resolution enacted by the Required Majorities;
- (b) the Sanction Order sanctioning this Plan shall have been issued, and not then subject to any appeal therefrom, or the Sanction Order shall have been rendered executory notwithstanding any appeal, and the operation and effect of the Sanction Order shall not have been stayed, reversed or amended, and shall, among other things, declare and order that:
 - (i) this Plan, including the compromises and arrangements set out herein, is sanctioned and approved pursuant to Section 6 of the CCAA and, as at the Plan Implementation Date, will be effective and will enure to the benefit of and be binding upon the Company, the Affected Creditors and all other Persons referred to in this Plan or in the Sanction Order;
 - (ii) **(A)** this Plan has been approved by the Required Majorities of Affected Creditors of the Company in conformity with the CCAA; **(B)** the Company has complied with the provisions of the CCAA and the Orders of the Court made in the CCAA Proceedings in all respects; **(C)** the Court is satisfied that the Company has neither done nor purported to do anything that is not authorized by the CCAA; and **(D)** this Plan and the transactions contemplated thereby are fair and reasonable;

- (iii) the full and final release and discharge of the Claims will be effective and will enure to the benefit of and be binding upon the Company, the Affected Creditors and all other Persons referred to in this Plan upon the issuance of the Certificate of Performance;
- (iv) the Company and the Monitor are authorized to take all steps and actions necessary to implement this Plan;
- (v) all Proven Claims determined in accordance with the Claims Procedure Order are final and binding on the Company and all Affected Creditors;
- (vi) any Claims for which a Proof of Claim has not been filed by the Claims Bar Date shall be forever barred and extinguished;
- (vii) all distributions and payments by or at the direction of the Monitor, in each case on behalf of the Company, under the Plan are for the account of the Company and the fulfillment of its obligations under the Plan;
- (viii) the Company and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan;
- (ix) subject to the performance by the Company of its obligations under this Plan, all contracts, leases, agreements and arrangements to which the Company are a party and that have not been disclaimed, terminated or repudiated pursuant to the Initial Order and/or the CCAA will be and remain in full force and effect, unamended, as at the Plan Implementation Date, and no Person who is a party to any such contract, lease, agreement or other arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of dilution or other remedy) or make any demand under or in respect of any such contract, lease, agreement or other arrangement and no automatic termination will have any validity or effect, by reason of:
 - (A) any event that occurred on or prior to the Plan Implementation Date and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults, events of default, or termination events arising as a result of the insolvency of the Company);
 - (B) the insolvency of the Company, the fact that the Company filed a notice of intention to make a proposal under the *BIA* or the fact that the Company sought or obtained relief under the CCAA; or

- (C) any compromises or arrangements effected pursuant to this Plan or any action taken or transaction effected pursuant to this Plan;
- (x) the releases set forth in **Section 6.2** hereof and the injunction set forth in **Section 6.5** hereof are implemented and in effect; and
- (xi) the commencement or prosecution, whether directly, derivatively or otherwise, or any demands, claims, actions, causes of action, counterclaims, suits or any indebtedness, liability, obligation or cause of action released and discharged pursuant to this Plan are enjoined;
- (c) the Replacement Loan shall have been disbursed and each of the DIP Claim, the DIP Lender Charge, the Salus Claim and the Salus Security shall have been discharged and released.

8.2 Waiver of Conditions

Each of the Plan Implementation Conditions enure solely to the Company's benefit and, except for each of the conditions set forth in **Sections 8.1 (a)** and **8.1 (b)(i)** hereof, may be waived in whole or in part either (i) solely by the Company (and no other Person and without the consent of any other Person), without any other notice to parties in interest or the Court and without a hearing, or (ii) by the Court. The failure to satisfy or waive any of the Plan Implementation Conditions prior to the Plan Implementation Date may be asserted by the Company regardless of the circumstances giving rise to the failure of such Plan Implementation Conditions to be satisfied (including any action or inaction by the Company). The failure of the Company to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an on-going right that may be asserted at any time.

8.3 Certificate of Implementation

Upon the occurrence and/or fulfillment of all of the Plan Implementation Conditions (or waiver thereof, as the case may be) on or prior to the Plan Implementation Deadline, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Implementation**").

8.4 Effect of Plan

Upon the issuance of the Certificate of Performance, the settlement of the Affected Claims in accordance with the Plan shall become final and binding on the Company, and all the Affected Creditors and their respective successors and assigns, and this Plan shall result in the full and final settlement of all Affected Claims, including for greater certainty, any Restructuring Claim and any Claims resulting, directly or indirectly, from the consequences and effects relating to the acceptance of the Plan by the Affected

Creditors, its sanction by the Court, or its implementation, and any indebtedness, obligations or undertakings which the Company may subsequently become subject to, directly or indirectly, as a result of an obligation, transaction or an event that occurred before the Determination Date, as well as any indebtedness, obligations or any undertakings that the Company may be subject to on any date whatsoever in connection with the Plan, the approval thereof by the Court or the implementation thereof. For greater certainty, this Plan shall not affect or impair any rights, remedies and recourses which the Company had, has or may have after the issuance of the Certificate of Performance in connection with transactions, facts or obligations existing prior to the Determination Date;

8.5 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) on or prior to the Plan Implementation Deadline, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). Upon the issuance of such Certificate of Non-Implementation, this Plan shall automatically become null, void and of no effect whatsoever and neither the Company, the Affected Creditors, the Monitor nor any other Person affected by this Plan shall be bound, obliged or affected by any of the provisions of this Plan.

SECTION 9 **MISCELLANEOUS**

9.1 Confirmation of Plan

Upon occurrence and/or fulfillment of all of the Plan Implementation Conditions (or waiver thereof, as the case may be) on or prior to the Plan Implementation Deadline, this Plan shall be binding upon the Company, the Affected Creditors and any and all other Persons affected by the provisions of this Plan as well as each of their respective successors and assigns.

9.2 Paramountcy

From and after the Plan Implementation Date, any conflict between this Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Company, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Company as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of this Plan and the Sanction Order, which shall take precedence and priority. For greater certainty,

all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by this Plan.

9.3 Modification of Plan

The Company:

- (a) in consultation with the Monitor and the DIP Lender (if any DIP Claim remains outstanding), reserves the right to file any modification of, or amendment or supplement to, this Plan by way of supplementary plan or plans of reorganization, compromise or arrangement (or any one or more thereof) at or before the Creditors' Meeting, in which case any such supplementary plan or plans of reorganization, compromise or arrangement (or an one or more thereof), shall, for all purposes, be and be deemed to form part of and be incorporated into this Plan. The Company shall file any supplementary plans with the Court as soon as practicable. The Company shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve this Plan. The Company may give notice of a proposed modification, amendment or supplement to this Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Company, in consultation with the Monitor and, if prior to the Plan Implementation Date, the DIP Lender (if any DIP Claim then remains), at any time and from time to time vary, amend, modify or supplement this Plan, (except to reduce the amount of the Aggregate Distribution or extend any Payment Dates other than as expressly provided herein), without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under this Plan or the Sanction Order and is necessary in order to give effect to the substance of this Plan or the Sanction Order. All of the foregoing shall not require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.4 Deeming Provisions

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

9.5 Sections 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the *BIA* shall not apply to this Plan. Accordingly, neither the Monitor, any Creditor nor any other Person shall be entitled to exercise any right, remedy or recourse, or to commence any action, motion, application or any other proceeding against any member of the Fisher Group, any Creditor or any other Person in relation to the Company, based on Section 38 and Sections 95 through 101 of the *BIA*.

9.6 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Company and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Company under this Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by this Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Procedure Order, the Sanction Order and any other Orders.

9.7 Liability Limitations

The Monitor, the Company and their respective legal counsel and other professional advisors, shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.8 Notices

- (a) Any notices or communication to be made or given hereunder to the Company or the Monitor shall be in writing and shall refer to this Plan and may, subject as hereinafter provided, be made or given by personal delivery, by courier, by prepaid mail, by fax or by e-mail, addressed to the respective parties as follows:

(i) if to the Company:

LAURA'S SHOPPE (P.V.) INC.

2955 Jules-Brillant
Laval, Quebec
H7P 6B2

Attention: Kalman Fisher and
Josh Fisher
E-Mails: kfisher@laura.ca
josh.fisher@laura.ca
Fax: (450) 973-6099

with copy to:

KUGLER KANDESTIN LLP

1 Place Ville Marie
Suite 2101
Montreal, Quebec
H3B 2C6

Attention: Gerald F. Kandestin,
David Stolow and
Jeremy Cuttler
E-Mail: gkandestin@kklex.com
dstolow@kklex.com
jcuttler@kklex.com
Fax: (514) 875-8424

(ii) if to the Monitor:

KPMG LLP

KPMG Tower
600 De Maisonneuve Blvd., West
Suite 1500
Montreal, Quebec
H3A 0A3

Attention: Dev Coossa
E-Mail: dcoossa@kpmg.ca
Fax: (514) 840-2121

with copy to:

FISHMAN FLANZ MELAND PAQUIN, L.L.P.

1250 Rene-Levesque Blvd., West
Suite 4100
Montreal, Quebec
H3B 4W8

Attention: Avram Fishman and
Mark Meland

E-Mails: afishman@ffmp.ca
mmeland@ffmp.ca

Fax: (514) 932-4170

or to such other address as any party may from time to time notify the others in accordance with this **Section 9.8**. In the event of any strike, lock-out or other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery, fax or e-mail and any notice or other communication given or made by prepaid mail within the 5 Business Day period immediately preceding the commencement of such interruption, unless actually received, shall be deemed not to have been given or made. All such notices and communications shall be deemed to have been received, in the case of notice by delivery, fax or e-mail prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and, in the case of notice mailed as aforesaid, on the fourth Business Day following the date on which such notice or other communication is mailed. The unintentional failure by the Company or the Monitor to give any notice contemplated hereunder to any particular Creditor shall not invalidate this Plan or any action taken by any Person pursuant to this Plan.

- (b) Any notices or communication to be made or given hereunder by the Monitor or the Company to a Creditor may be sent by fax, e-mail, ordinary mail, registered mail, courier or facsimile transmission to the e-mail address, address or fax number specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to this Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier, fax or e-mail.

9.9 Severability of Plan Provisions

If, prior to the Sanction Date, any term or provision of this Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Company which request shall be made in consultation with the Monitor and the DIP Lender (if any DIP Claim then remains), shall have the power to either:

- (a) sever such term or provision from the balance of this Plan and provide the Company with the option to proceed with the implementation of the balance of this Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and 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 severing, holding, alteration or interpretation, and provided the Company proceeds with the implementation of this Plan, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.10 Revocation, Withdrawal or Non-Consummation

The Company, upon consultation with the Monitor and the DIP Lender, reserves the right to revoke or withdraw this Plan at any time prior to the Sanction Date and to file subsequent plans of arrangement and compromise. If the Company revokes or withdraws this Plan, or if the Sanction Order is not issued:

- (a) this Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in this Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null, void and inoperative; and
- (c) nothing contained in this Plan, and no act taken in preparation for consummation of this Plan, shall:
 - (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Company or any other Person;
 - (ii) prejudice in any manner the rights of the Company or any Person in any further proceedings involving the Company; or

(iii) constitute an admission of any sort by the Company or any other Person.

9.11 Further Assurance

Notwithstanding that the transactions and events set out in this Plan shall occur and be deemed to occur in the order set out herein without any additional act or formality, each of the Persons affected hereby shall make, do and execute, or cause to be made, done and executed at the cost of the requesting party, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by the Company in order to better implement this Plan.

9.12 Governing Law

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

9.13 Successors and Assigns

This Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Company, the Directors, the Affected Creditors or any other Persons affected by or benefiting from the provisions of this Plan.

9.14 French Language Version of Plan

In the event of any discrepancy between any of the provisions of the English language version of this Plan and any French language version thereof, the provisions of the English version of this Plan shall, under all circumstances, prevail and govern.

9.15 Choice of Language

The Company and each of the hereafter enumerated members of the Fisher Group acknowledges that it (or he) has required that this Plan and all related documents be prepared, in English. La Compagnie et chacun des membres du "Fisher Group" ci-après énumérés reconnaît avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.

(signature page to follow)

MONTREAL, Province of Quebec, this 16th day of October, 2015.

LAURA'S SHOPPE (P.V.) INC.

Per:



Kalman Fisher, President


EACH of the following members of the Fisher Group acknowledges haven taken cognizance of the contents of this Plan and consents to the provisions of Section 3.11 hereof.



KALMAN FISHER

3482731 CANADA INC.

Per:



Kalman Fisher

9318-5494 QUEBEC INC.

Per:



Kalman Fisher

A N N E X
(TO PLAN OF COMPROMISE AND ARRANGEMENT OF
LAURA'S SHOPPE (P.V.) INC.)

DISCLAIMED LEASES

	LANDLORD	STORE LOCATION	STORE BANNER
1.	Calloway REIT (Halifax) Ltd. (Smartcentres)	Bayers Lake Center 208 Chain Lake Drive Halifax, Nova Scotia B3S 1C5	Laura
2.	The Boulevard Shopping Centre (Montreal) Limited Partnership	The Boulevard Shopping Centre 4270 Jean Talon Street East Montreal, Quebec H1S 1J7	Laura
3.	Calloway Reit (Cambridge) Inc. (Smartcentres)	Cambridge Centre 28 Pinebush Road Cambridge, Ontario	Laura
4.	Riocan Holdings (Quebec) Inc.	Mega Centre Notre-Dame Notre-Dame and Autoroute 13 Laval, Quebec H7X 3V5	Laura
5.	3945333 Manitoba Limited (Smartcentres)	SmartCentres Winnipeg Southwest 1665 Kenaston Blvd. Unit P3 Winnipeg, Manitoba R3P 2M4	Laura
6.	Riocan Property Services Trust as agent for 2113362 Ontario Limited, as to an undivided one-half interest, and Trinity Properties Alberta Limited as to an undivided one-half interest	Beacon Hill Centre 11834 Sarcee Trail NW Calgary, Alberta T3R 0A1	Laura

	LANDLORD	STORE LOCATION	STORE BANNER
7.	Beauward Shopping Centres Ltd.	Galeries Joliette 1075 Firestone Blvd. Joliette, Quebec J6E 6X6	Laura
8.	Montez Core Income Fund Limited Partnership -and- Hillcrest Property Holdings Inc.	Hillcrest Mall 9350 Yonge Street Richmond Hill, Ontario L4C 5G2	Laura
9.	Carrefour Richelieu Realties Ltd. (Westcliff)	Carrefour Angrignon 7077 Newman Blvd. LaSalle, Quebec H8N 1X1	Laura Plus
10.	Omers Realty Management Corporation, by its manager OPGI Management GP Inc. (as general partner of the OPGI Management Limited Partnership)	Square One Shopping Centre 100 City Centre Drive Mississauga, Ontario L5B 2C9	Laura Plus
11.	Park Royal Shopping Centre Holdings Ltd.	Park Royal Shopping Centre 2002 Park Royal South West Vancouver, BC V7T 2W4	Melanie Lyne
12.	Oxford Properties Group Inc. -and- CPP Investment Board Real Estate Holdings Inc.	Edmonton City Centre West 10020-102 Avenue Edmonton, Alberta T5J 4B7	Melanie Lyne
13.	Dartmouth Crossing Limited	Dartmouth Crossing 34 Logiealmond Close Dartmouth, Nova Scotia B3B 0C8	Melanie Lyne
14.	RRL Burloak Inc. -and- 2121049 Ontario Limited, by its agent RioCan Property Services Inc. (Trustee for RioCan Real Estate Investment Trust)	RioCan Centre Burloak 3543 Wyecroft Road Oakville, Ontario	Melanie Lyne

	LANDLORD	STORE LOCATION	STORE BANNER
15.	Riotrin Properties (Orleans) Inc.	Trinity Crossing 4210 Innes Road Orleans, Ontario K4A 5E6	Melanie Lyne
16.	RioCan Holdings (TJV Bromont) Inc. -and- 1633272 Alberta ULC	Carrefour Champêtre Bromont 105 boul. le Carrefour Bromont, Quebec J2L 3L1	Laura
17.	1451945 Ontario Limited -and- Sun Life Assurance Company of Canada	Mayfield Common 288 Mayfield Common Northwest Edmonton, Alberta T5P 4B3	Laura
18.	RioCan Meadows Shopping Centre Inc. -and- 2118717 Ontario Limited	RioCan Meadows 3918 - 17 St. NW Edmonton, Alberta T6T 0C2	Laura
19.	Riotrin Properties Inc.	RioCan Signal Hill Center 5715 Signal Hill Center SW Calgary, Alberta T3H 3P8	Laura
20.	713949 Ontario Limited	St. Laurent Shopping Centre 1200 St. Laurent Blvd. Ottawa, Ontario K1K 3B8	Laura
21.	Montez Core Income Fund Limited Partnership -and- Hillcrest Property Holdings Inc.	Hillcrest Mall 9350 Yonge Street Richmond Hill, Ontario L4C 5G2	Melanie Lyne
22.	Les Factoreries Saint- Sauveur (2003) Inc.	Les Factoreries Saint-Sauveur 160 chemin du Lac-Millette Saint-Sauveur, Quebec J0R 1R6	Melanie Lyne

EXHIBIT P-2

Order for the Filing of the Plan of Compromise and Arrangement and the Calling of a Creditors' Meeting

CANADA

SUPERIOR COURT
Commercial Division

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C. c.
C-36)

N°: 500-11-049256-155

IN THE MATTER OF THE PLAN OF
COMPROMISE AND ARRANGEMENT OF:

**MAGASIN LAURA (P.V.) INC. / LAURA'S
SHOPPE (P.V.) INC.**

Debtor / Petitioner

-and-

KPMG INC.

Monitor

**ORDER FOR THE FILING OF THE PLAN OF COMPROMISE AND ARRANGEMENT
AND THE CALLING OF A CREDITORS' MEETING**
(Sections 4, 9, 11 and 22 of the *Companies' Creditors Arrangement Act*,
R.S.C. 1985, c. C-36)

SEEING the Petitioner's, Laura's Shoppe (P.V.) Inc. (the "**Company**"), Motion for an Order for the Filing of the Plan of Compromise and Arrangement and the Calling of a Creditors' Meeting (the "**Motion**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**"), the exhibits thereto, the affidavit in support thereof and the submissions of counsel;

SEEING that the Company's "Plan of Compromise and Arrangement" dated October 16, 2015 has been submitted to the Court as required by the CCAA (the "**Plan**"), a copy of which is attached hereto as **Schedule A**;

GIVEN the provisions of the CCAA;

THE COURT:

[1] **GRANTS** the Motion;

Service

- [2] **DECLARES** that the notices given of presentation of the Motion are adequate and sufficient;

Definitions

- [3] **DECLARES** that, unless otherwise indicated, capitalized terms found herein shall have the same meaning ascribed thereto in the Plan;

Filing of the Plan

- [4] **AUTHORIZES** the filing of the Plan with the Court under the CCAA;

Notice of the Creditors' Meeting

- [5] **ORDERS** that the Monitor call a meeting of all Affected Creditors (the "**Creditors' Meeting**") in order for the Affected Creditors to vote for the acceptance or rejection of the Plan as set forth in the CCAA;
- [6] **ORDERS** that such Creditors' Meeting be called as hereafter set forth and held on or before December 15, 2015, or such later date as the Court may order (the "**Meeting Call Date**");
- [7] **ORDERS** that, at least fourteen (14) days before the Meeting Call Date, the Monitor publish the following documents on its website (collectively the "**Meeting Materials**"):
- (a) a notice of the Creditors' Meeting, substantially in the form of the notice attached hereto in **Schedule B** (the "**Notice to Creditors**");
 - (b) the Plan;
 - (c) a copy of the proxy form substantially in the form as that in **Schedule C** attached hereto (the "**Proxy Form**");
 - (d) a copy of this Order; and
 - (e) such other materials, if any, as the Monitor deems appropriate.
- [8] **ORDERS** that, at least fourteen (14) days before the Meeting Call Date, the Monitor send, by regular mail, a copy of the Meeting Materials to each Creditor which filed a Claim in compliance with the Claims Procedure Order;
- [9] **ORDERS** that the Notice to Creditors be published by the Monitor in a French language newspaper and an English language newspaper as soon as possible

following the issuance of this Order and, in any case, no less than seven (7) days before the Meeting Call Date;

- [10] **ORDERS** that the publication and mailings made pursuant to paragraphs [7] to [9] of this Order shall constitute good and sufficient service of the Meeting Materials on all Persons who may be entitled to receive notice thereof, or of these proceedings, or to be present in person or by proxy at the Creditors' Meeting, or who may wish to appear in these proceedings, and no other form of notice or service need be made on such Persons, and no other document or material need be served on such Persons in respect of these proceedings;

Creditors' Meeting

- [11] **ORDERS** that the Monitor is hereby authorized to call, hold and conduct the Creditors' Meeting for the purpose of considering and, if appropriate, approving the Plan at a place, date and time as shall be set forth in the Notice to Creditors;
- [12] **ORDERS** that the only Persons entitled to attend the Creditors' Meeting are Affected Creditors, their legal representatives and their proxy holders, representatives of the Company, members of the board of directors of the Company and their representatives, representatives of the Monitor, the Chair and their respective legal and financial advisors. Any other Person may be admitted to the Creditors' Meeting on invitation by the Chair;
- [13] **ORDERS** that any proxy which any Creditor wishes to submit in respect of the Creditors' Meeting (or any adjournment thereof) must be substantially in the form of the Proxy Form (or to any such other form acceptable to the Monitor or the Chair) and be received by the Monitor before the beginning of the Creditors' Meeting;
- [14] **ORDERS** that any Creditor that named the Monitor as its authorized representative in its Proxy Form will be deemed to have voted in favour of the approval of the Plan, unless otherwise indicated in its Proxy Form;
- [15] **ORDERS** that the quorum required at the Creditors' Meeting shall be one Creditor having a Voting Claim present at such meeting in person or by proxy. If the requisite quorum is not present at the Creditors' Meeting, then the Creditors' Meeting shall be adjourned by the Chair to such time and place as the Chair deems necessary or desirable;
- [16] **ORDERS** that the only Persons entitled to vote at the Creditors' Meeting shall be Creditors with a Voting Claim and their proxy holders. Each Creditor with a Voting Claim will be entitled to a number of votes equal to the value in dollars of its Voting Claim. A Creditor's Voting Claim shall not include fractional numbers and Voting Claims shall be rounded down to the nearest whole Canadian dollar amount;

- [17] **ORDERS** that the results of any vote conducted at the Creditors' Meeting shall be binding on all Creditors, whether or not any such Creditor is present or voting at the Creditors' Meeting;
- [18] **ORDERS** that the Chair shall preside as the chair of the Creditors' Meeting and, subject to any further order of this Court, shall decide all matters relating to the conduct of the Creditors' Meeting. The Company and any Creditor may appeal from any decision of the Chair to the Court within five (5) Business Days of any such decision, by sending previous notice in writing to the Company's counsel, the Monitor and the Monitor's counsel as per paragraph [27] of the present Order before the hearing on the sanctioning of the Plan;
- [19] **ORDERS** that, at the Creditors' Meeting, the Chair is authorized to direct a vote with respect to the Plan and any amendments thereto as he deems appropriate;
- [20] **ORDERS** that the Monitor may appoint scrutineers for the supervision and tabulation of the attendance, quorum and votes cast at the Creditors' Meeting. A Person designated by the Monitor shall act as secretary at the Creditors' Meeting;
- [21] **ORDERS** that where the Creditor appeals from a Notice of Revision or Disallowance or its Claim has not been finally determined prior to the date of the Creditors' Meeting, the Monitor, in conjunction with the Company, will determine the amount of the Voting Claim;
- [22] **ORDERS** that the Monitor shall be directed to tabulate the votes cast at the Creditors' Meeting called to consider the Plan in accordance with this Order and shall report to the Court at the sanction hearing as to the effect, if any, that the Monitor's determination of Creditors' Voting Claims pursuant to paragraph [21] hereof had on the outcome of the votes cast at the Creditors' Meeting;
- [23] **ORDERS** that by a simple vote of a majority in number of the Voting Claims of Persons present at the Creditors' Meeting or by proxy, the Creditors' Meeting may be adjourned or re-adjourned to a subsequent date, time and place as determined by such vote and no further notice will be necessary;

Notice of Transfers

- [24] **ORDERS** that, for purposes of voting at the Creditors' Meeting, if a Creditor who has a Voting Claim transfers or assigns all of its Voting Claim and the transferee or assignee delivers evidence satisfactory to the Monitor of its ownership of all of such Voting Claim and a written request to the Monitor, not later than the Claims Bar Date, or such later time that the Monitor may agree to, that such transferee's or assignee's name be included on the list of Creditors entitled to vote, either in person or by proxy, the transferor's or assignor's Voting Claim at the Creditors' Meeting in lieu of the transferor or assignor;

- [25] **ORDERS** that, for purposes of distributions to be effected pursuant to the Plan, if a Creditor transfers or assigns the whole of its Voting Claim to another Person, neither the Petitioner, nor the Monitor shall be obligated to deal with the transferee or assignee of the Voting Claim as the Creditor in respect thereof unless and until notice of the transfer or assignment from either the transferor, assignor, transferee or assignee, together with evidence showing that such transfer or assignment was valid at law, has been received by the Monitor at least ten (10) Business Days prior to any distribution under the Plan;
- [26] **ORDERS** that if the holder of a Voting Claim or any subsequent holder of the whole of a Voting Claim who has been acknowledged by the Monitor as the Creditor in respect of such Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Voting Claim or Voting Claims and such Claim shall continue to constitute and be dealt with as a single Voting Claim notwithstanding such transfer or assignment, and the Monitor and the Petitioner shall in each such case not be bound to recognize or acknowledge any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim, provided such Creditor may by notice in writing to the Monitor direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and in such event, such Creditor, such transferee or assignee of the Claim as a whole shall be bound by any notices given or steps taken in respect of such Claim with such Person in accordance with this Order;

Notices and Communications

- [27] **ORDERS** that any notice or other communication to be given under this Order by a Creditor to the Monitor or the Company shall be in writing in substantially the form provided for in this Order and will be sufficiently given only if given by mail, telecopier, courier or other means of electronic communication addressed to:

Monitor:

Dev A. Coossa
Maxime Codere
KPMG INC.
600 boul. de Maisonneuve West
Suite 1500
Montreal, Quebec
H3A 0A3
Fax: 514-840-2121
E-mail: dcoossa@kpmg.ca
mcodere@kpmg.ca

Attorneys for the Monitor:

Me Avram Fishman
Me Mark Meland
FISHMAN FLANZ MELAND PAQUIN LLP
1250 René-Lévesque Blvd.
Suite 4100
Montreal, Quebec
H3B 4W8
Fax: 514-932-4170
E-mail: afishman@ffmp.ca
mmeland@ffmp.ca

Attorneys for the Company:

Me Gerald F. Kandestin

Me David Stolow

Me Jeremy Cuttler

KUGLER KANDESTIN LLP

1 Place Ville Marie

Suite 2101

Montreal, Quebec

H3B 2C6

Fax: 514-875-8424

E-mail: gkandestin@kklex.com

dstolow@kklex.com

jcuttler@kklex.com

- [28] **ORDERS** that any document sent by the Monitor pursuant to this Order may be sent by e-mail, ordinary mail, registered mail, courier or facsimile transmission. A Creditor shall be deemed to have received any document sent pursuant to this Order two (2) Business Days after the document is sent by mail and one (1) Business Day after the document is sent by courier, e-mail or facsimile transmission. Documents shall not be sent by ordinary or registered mail during a postal strike or work stoppage of general application;

Aid and Assistance of Other Courts

- [29] **REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or any court or any judicial, regulatory or administrative body of the United States and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order;

Sanction of the Plan by the Court

- [30] **AUTHORIZES** the Company, if the Plan is accepted by the Required Majorities, to present a motion in order to obtain the sanctioning thereof on a date to be determined;

General Provisions

- [31] **ORDERS** that the Monitor shall use reasonable discretion as to the adequacy of completion and execution of any document completed and executed pursuant to this Order and, where the Monitor is satisfied that any matter to be proven under this Order has been adequately proven, the Monitor may waive strict compliance with the requirements of this Order as to the completion and execution of documents;

- [32] **ORDERS** that the Monitor may apply to this Court for advice and directions in connection with the discharge or variation of its powers and duties under this Order;
- [33] **ORDERS** the provisional execution of this Order notwithstanding appeal;
- [34] **THE WHOLE** without costs.

MONTREAL, October ____, 2015

MARIE-ANNE PAQUETTE, J.S.C.

SCHEDULE A
(Plan of Compromise and Arrangement)

CANADA

SUPERIOR COURT
(Commercial Division)

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C.
c. C-36)

NO.: 500-11-049256-155

IN THE MATTER OF THE PLAN OF
COMPROMISE AND ARRANGEMENT OF:

MAGASIN LAURA (P.V.) INC. /
LAURA'S SHOPPE (P.V.) INC.

Debtor/Petitioner

-and-

BOUTIQUE LAURA CANADA LTÉE /
LAURA'S SHOPPE CANADA LTD.

-and-

3482731 CANADA INC.

-and-

9318-5494 QUEBEC INC.

-and-

KALMAN FISHER

Stayed Parties

-and-

KPMG INC.

Monitor

PLAN OF COMPROMISE AND ARRANGEMENT
Under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36

SECTION 1 INTERPRETATION

1.1 Definitions

In this Plan, unless otherwise stated or the context otherwise requires:

"**Administration Charge**" has the meaning ascribed to such term in the Initial Order;

"**Administration Claim**" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"**Affected Claim**" means any Claim other than an Unaffected Claim. For greater certainty, **Affected Claims** include Disclaimed Landlord Claims, any Claim of Her Majesty the Queen in right of Canada or any province (other than Crown Priority Claims), Directors Claims and Restructuring Claims;

"**Affected Creditor**" means a Creditor holding an Affected Claim, but only to the extent of its Affected Claim;

"**Affected Creditors Class**" has the meaning set forth in **Section 2.2** hereof;

"**Aggregate Distribution**" has the meaning set forth in **Section 2.4** hereof;

"**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended;

"**Business Day**" means a day, other than a Saturday, a Sunday, or a non-judicial day (as defined in article 6 of the *Quebec Code of Civil Procedure*, R.S.Q., c. C-25, as amended);

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

"**CCAA Charge(s)**" means the Administration Charge, the DIP Lender Charge and the KERP Charge;

"**CCAA Proceedings**" means proceedings in respect of the Company before the Court commenced, taken up and continued under the CCAA;

"**Certificate of Implementation**" has the meaning set forth in **Section 8.3** hereof;

"**Certificate of Performance**" has the meaning set forth in **Section 6.1** hereof;

"**Certificate of Non-Implementation**" has the meaning set forth in **Section 8.5** hereof;

"Chair" means a representative of the Monitor, or any other individual designated by the Monitor to preside as chairperson at the Creditors' Meeting;

"Claim" means any right of any Person against the Company in connection with any indebtedness, liability or obligation of any kind of the Company owed to such Person and any interest, or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing, or transactions which occurred, prior to the Determination Date, or which would have been claims provable in bankruptcy had the Company become bankrupt on the Determination Date, and, without limitation, including any Restructuring Claim, but excluding any Unaffected Claim and **"Claims"** means all of them;

"Claims Bar Date" has the meaning as set forth in the Claims Procedure Order;

"Claims Procedure Order" means the "Claims Procedure Order" issued by the Court on September 11, 2015, establishing, among other things, procedures for proving Claims, as amended or supplemented from time to time by further Order(s) of the Court;

"Company", **"Debtor"** or **"Petitioner"** means Magasin Laura (P.V.) Inc./Laura's Shoppe (P.V.) Inc.;

"Court" means the Commercial Division of the Quebec Superior Court for the District of Montreal;

"Creditor(s)" means any Person(s) having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person(s);

"Creditors' Meeting" means the meeting of Affected Creditors to be convened for the purposes of voting on the Plan, or any adjournment of such meeting;

"Crown Priority Claims" means any Claims of Her Majesty the Queen in right of Canada or in right of any province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of Her Majesty the Queen in right of Canada or in right of any Province other than Crown Priority Claims shall be an Affected Claim hereunder;

"Determination Date" means July 31, 2015, being the date on which the Company commenced proceedings under the *BIA* by filing a notice of intention to make a proposal thereunder, which proceedings were subsequently taken up and continued by the CCAA Proceedings under the CCAA;

"DIP Claim" means any and all obligations of the Company to the DIP Lender pursuant to the DIP Facility Documents or the Initial Order as of the Plan Implementation Date;

"DIP Facility Documents" means the "Interim Financing Term Sheet" dated August 10, 2015 by and among the Company and the DIP Lender (as amended, modified, restated and/or supplemented from time to time) together with any related collateral, loan or security documents executed in connection therewith or which relate thereto;

"DIP Lender" means The Cadillac Fairview Corporation Limited;

"DIP Lender Charge" means the "Interim Lender Charge" as set forth in the Initial Order;

"Directors" means all of the Company's past and present directors as well as any Persons who were or are deemed to be directors of the Company pursuant to any applicable Laws;

"Directors' Claims" means all Claims, of any nature or source whatsoever, of any of the Creditors against any or all of the Directors which arose before the Determination Date and which relate to obligations of the Company where such Directors are by law liable in their capacity as directors for payment of such obligations. Director's Liability shall, however, exclude all Claims which (i) relate to contractual rights of one or more Creditors arising from contracts with one or more Directors, including any guarantees given by any Directors relating to the Company's obligations, (ii) seek injunctive relief against any of the Directors in relation to the Company, or (iii) are based on allegations of misrepresentation made by any Directors to Creditors or of wrongful or oppressive conduct by Directors;

"Disallowed Claim" means any Claim, or that portion thereof which has been revised or disallowed by the Monitor pursuant to the Claims Procedure Order or any other Order in respect of which an appeal by the Creditor has been dismissed or all appeal periods, if any, have expired;

"Disclaimed Leases" means each and every one of the leases and/or other agreements for the occupancy of real or immovable property (as well as all amendments thereto and renewals thereof) which (i) were disclaimed or resiliated by the Company pursuant to Section 60 (1.1) of the *BIA* (as recognized by the Initial Order) or Section 32 of the CCAA, as exhaustively enumerated in the annex forming part of this Plan, and (ii) may hereafter be disclaimed or resiliated by the Company pursuant to Section 32 of the CCAA, to the extent (in either case) that any such disclaimers or resiliations have not

been or shall not hereafter be rescinded by the Company, and "**Disclaimed Lease**" means each of them;

"**Disclaimed Landlord**" means the landlord under any Disclaimed Lease and "**Disclaimed Landlords**" means all of them;

"**Disclaimed Landlord Claims**" means all Proven Claims of the Disclaimed Landlords for losses incurred by Disclaimed Landlords in relation to Disclaimed Leases, as provided for in Section 32(7) of the CCAA and "**Disclaimed Landlord Claim**" means any of them;

"**Disputed Claim**" means a Claim or that portion thereof that is the object of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim or a Disallowed Claim;

"**Excluded Claim**" means any right of any person against the Company in connection with any indebtedness, liability or obligation of any kind which arose with respect to transactions which occurred after the Determination Date and any interest thereon, including the Administration Claim, the DIP Claim, a KERP Claim and any obligation of the Company towards creditors who have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to the Company after the Determination Date, but only to the extent of their claims in respect of the supply of such services, utilities, goods, materials or funds after the Determination Date and to the extent that such claims are not otherwise affected by the Plan. For greater certainty, a Restructuring Claim is not an Excluded Claim;

"**Excluded Creditor**" means a Person having a claim in respect of an Excluded Claim but only in respect of such Excluded Claim and to the extent that the Plan does not otherwise affect such claim;

"**Fisher Group**" means Kalman Fisher, 3482731 Canada Inc., 9318-5494 Quebec Inc. (formerly 7735235 Canada Inc.) and any Person who/which is, or was at any time within the 12 consecutive months immediately preceding the Determination Date, a Related Person to Kalman Fisher;

"**Fisher Group Claims**" means any Claims for payment of principal on any loans or advances made to the Company (or its predecessor) at any time prior to the Determination Date by any member of the Fisher Group, which includes any Secured Claim by any member of the Fisher Group, but excludes any Claims or future claims by any member of the Fisher Group for (i) salary (or other remuneration), (ii) reimbursement of business expenses, or (iii) payment of principal on any loans or advances in lieu of salary (or other remuneration);

"**Gift Card Claim**" has the meaning set forth in **Section 2.3 (a)(v)** hereof;

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" means the "Initial Order" issued by the Court on August 12, 2015, as renewed and amended by the Court from time to time, under the CCAA;

"KERP Charge" has the meaning ascribed to such term in the Initial Order;

"KERP Claim" means a claim or any other indebtedness or obligation secured by the KERP Charge and **"KERP Claims"** means all of them;

"Laws" means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, injunctions, orders or decisions of any Governmental Authority, statutory body or self-regulatory authority, including general principles of law having the force of law and the term **"applicable"** with respect to such Laws and, in the context that refers to any Person, means such Laws as are applicable to such Person or its business, undertaking, property or securities and emanate from a Governmental Authority or self-regulatory authority having jurisdiction over the Person or its business, undertaking, property or securities;

"Meeting Date" means the date fixed for the Creditors' Meeting in accordance with the Meeting Procedure Order, or any subsequent Order, or any subsequent date following any adjournment of that meeting, as the case may be;

"Meeting Procedure Order" means the "Meeting Procedure Order" issued or to be issued by the Court upon or following the filing of this Plan with the Court;

"Monitor" means KPMG Inc., in its capacity as Monitor, as appointed by the Court pursuant to the Initial Order;

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Order" means any order of the Court in the CCAA Proceedings;

"Original Currency" has the meaning set forth in **Section 7.7** hereof;

"**Payment Date**" and "**Payment Dates**" have the meaning set forth in **Section 2.4** hereof;

"**Person**" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, trustee, executor, administrator, legal personal representative, estate, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"**Plan**" means the present "Plan of Compromise and Arrangement" of the Company pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Company from time to time in accordance with its terms;

"**Plan Implementation Conditions**" has the meaning set forth in **Section 8.1** hereof;

"**Plan Implementation Date**" means the date, on or prior to the Plan Implementation Deadline, upon which all of the Plan Implementation Conditions have occurred or have been satisfied or waived;

"**Plan Implementation Deadline**" has the meaning set forth in **Section 8.1** hereof;

"**Proof of Claim**" has the meaning set forth in the Claims Procedure Order;

"**Proven Claim**" means, in respect of a Creditor, the amount of the Claim of such Creditor as finally determined for distribution purposes in accordance with the provisions of this Plan, the CCAA and the Claims Procedure Order;

"**Related Persons**" has the meaning set forth in **Section 4** of the *BIA*;

"**Released Party**" and "**Released Parties**" have the meanings as set forth in **Section 6.2** hereof;

"**Replacement Lender(s)**" means the Person(s) who will provide the Replacement Loan;

"**Replacement Loan**" means the loans and/or other credit facilities to be provided to the Company by the Replacement Lender(s) in order to completely discharge and release (i) any then remaining DIP Claim and the DIP Lender Charge, and (ii) the Salus Claim and the Salus Security;

"**Required Majorities**" means the affirmative vote of a majority in number of the Affected Creditors voting in the Affected Creditors Class, having Voting Claims and voting on the Plan (in person or by proxy) at the Creditors' Meeting and representing not less than 66-2/3% in value of the Voting Claims of the Affected Creditors voting (in person or by proxy) at the Creditors' Meeting;

"Reserve(s)" means the reserve(s) to be established and maintained under this Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims as of any Payment Date;

"Resolution" means, collectively, one or any of, the resolutions providing for the approval of the Plan by the Affected Creditors;

"Restructuring Claim" means any right or claim of any Person against the Company in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Company's restructuring under the CCAA and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanctions by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. Without limiting the generality of the foregoing, a Restructuring Claim shall include a Disclaimed Landlord Claim, but shall exclude any claim of any landlord in respect of any lease for real or immovable property other than claims of Disclaimed Landlords. For greater certainty, a Restructuring Claim is an Affected Claim;

"Salus" means Salus Capital Partners, LLC or any Person acting on its behalf, in its place or as its successor;

"Salus Claim" means, at any given time, all indebtedness and obligations owing by the Company to Salus;

"Salus Security" means all mortgages, hypothecs, pledges, charges, liens, privileges, security interests, guarantees, suretyships or other rights securing and/or guaranteeing the Salus Claim, held by or on behalf of Salus (i) over any and all present and future property of the Company, any of the Stayed Parties, and/or any other Person, and/or (ii) against the Company, any of the Stayed Parties and/or any other Person;

"Sanction Date" means the date on which the Sanction Order is issued;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or amended on appeal, in form and content which is satisfactory to the Petitioner acting reasonably;

"Section 6(5) Claim" means any claim of an employee or former employee described in Section 6(5) of the CCAA but only to the extent of such amounts as required to be paid under the CCAA;

"Section 19(2) Claims" means any claim described in Section 19(2) of the CCAA;

"Secured Claim" means the Claim of a Secured Creditor, to the extent of the value of such Secured Creditor's security;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor's mortgage, hypothec, pledge, charge, lien, privilege, security interest or other rights over the property of the Company was valid, opposable, perfected, and could be set up against third parties, including a trustee to the Company's bankruptcy, on both the Determination Date and the Claims Bar Date, failing which that Secured Creditor will be deemed to be an "unsecured creditor", as defined in the CCAA;

"Stayed Parties" means Boutique Laura Canada Ltée/Laura's Shoppe Canada Ltd., 3482731 Canada Inc., 9318-5494 Quebec Inc. (formerly 7735235 Canada Inc.) and Kalman Fisher;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employer health, pension plan, anti-dumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Unaffected Claim" means any right of any Person in connection with any indebtedness, liability or obligation of any kind of the type described in **Section 2.3 (a)** hereof. For greater certainty, the Unaffected Claims include the Excluded Claims;

"Unaffected Creditor" means a Person having a Claim in respect of an Unaffected Claim, but only in respect of such Unaffected Claim, and for greater certainty, includes an Excluded Creditor;

"Voting Claim" means, in respect of a Creditor, the amount of such Creditor's claim which has been accepted for voting purposes in accordance with the provisions of this Plan, the Claims Procedure Order and the CCAA;

1.2 Interpretation

For purposes of this Plan:

- (a) any reference in this Plan to a contract, instrument, release, indenture, agreement or other document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference in this Plan to an existing document or exhibit filed or to be filed means such document or exhibit as it may have been or may be amended, modified or supplemented;
- (c) all references to currency and to "\$", "C\$" or "Dollars" are to Canadian dollars except as otherwise indicated;
- (d) all references in this Plan to Sections are references to Sections of this Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to this Plan in its entirety rather than to any particular portion of this Plan;
- (f) the division of this Plan into Sections and paragraphs and the insertion of captions and headings to Sections and paragraphs are for convenience of reference only and are not intended to affect the interpretation of, or to be part of this Plan;
- (g) where the context requires, a word or words importing the singular shall include the plural and vice versa and a word or words importing one gender shall include all genders;
- (h) the words "includes" and "including" are not limiting; and
- (i) the word "or" is not exclusive.

1.3 Date For Any Action

In the event that any date (including any Payment Date) on which any action (including any payment) is required to be taken under this Plan by any of the parties is not a Business Day, that action (including any payment) shall be required to be taken on the next succeeding day which is a Business Day.

1.4 Statutory References

Any reference in this Plan to a statute includes all regulations made thereunder and all amendments to such statute or regulations in force, from time to time, or any statute or regulations that supplement or supersede such statute or regulations.

SECTION 2 **COMPROMISE AND ARRANGEMENT**

2.1. Persons Affected

The purpose of this Plan is to provide for the full and final settlement of all Affected Claims. Except as specifically provided for in this Plan, this Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Company will be fully and finally, settled, compromised and released in this Plan upon the Aggregate Distribution being fully paid to the Monitor, it being understood that any Affected Claim that is paid in full pursuant to this Plan before such date shall be settled, compromised and released on the date of such payment. This Plan shall be binding on and enure to the benefit of the Company, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons who have received the benefit of, or are bound by any waivers, releases or indemnities hereunder.

2.2. Classes of Affected Claims

There shall only be one class of Affected Creditors for the purpose of voting on, and receiving distributions pursuant to this Plan, being the "**Affected Creditors Class**".

2.3. Unaffected Claims

(a) This Plan does not affect the following claims (each, an "**Unaffected Claim**" and, collectively, the "**Unaffected Claims**"), the holders of which will not be entitled to vote at the Creditors' Meeting or receive any distributions under this Plan, namely:

- (i) the Excluded Claims;
- (ii) any Administration Claim;
- (iii) any DIP Claim;
- (iv) any KERP Claims;

- (v) any claim with respect to gift-cards, gift certificates, lay-away deposits and other customer certificates (collectively, "Gift Card Claims");
- (vi) Crown Priority Claims;
- (vii) Section 6(5) Claims;
- (viii) Section 19(2) Claims;
- (ix) Secured Claims;
- (x) the Salus Claim; and
- (xi) Fisher Group Claims,

all of which will be dealt with in **Section 3** hereof;

- (b) Nothing in this Plan shall affect the Company's rights and defences, both legal and equitable, with respect to any Unaffected Claim including any rights arising under or pursuant to the Claims Procedure Order or this Plan or any rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

2.4. Treatment of Affected Claims

By no later than each of the payment dates hereafter set forth (collectively the "Payment Dates" or individually a "Payment Date"), the aggregate sum of \$4 Million (the "Aggregate Distribution"), without any interest whatsoever thereon, shall be paid by the Company to the Monitor and shall thereafter be distributed by the Monitor to the Affected Creditors, according to the amount of their respective Proven Claims as hereafter set forth, namely:

- (a) by no later than April 30, 2016, \$1 Million shall be paid by the Company to the Monitor, which shall thereafter be distributed by the Monitor as follows:
 - (i) an amount equal to the lesser of (A) the Proven Claim of each Affected Creditor, or (B) \$1,250, shall be distributed by the Monitor to the Affected Creditors, according to the amount of their Proven Claims; and
 - (ii) an amount equal to the difference between (A) \$1 Million, and (B) the aggregate amount to be distributed by the Monitor pursuant to **Section 2.4 (a)(i)** above, shall be distributed by the Monitor to the Affected Creditors on a *pro rata* basis, according to the amounts of their

respective Proven Claims, less any amounts received in respect of the amounts set forth in **Section 2.4 (a)(i)** above;

- (b) by no later than July 31, 2016, \$1 Million shall be paid by the Company to the Monitor, which shall thereafter be distributed by the Monitor to the Affected Creditors on a *pro rata* basis, according to the amounts of their respective Proven Claims, less any amounts received in respect of the distribution under **Section 2.4 (a)** hereof;
- (c) by no later than December 15, 2016, \$1.8 Million shall be paid by the Company to the Monitor, which shall thereafter be distributed by the Monitor to the Affected Creditors on a *pro rata* basis, according to the amounts of their respective Proven Claims, less any amounts received in respect of the distributions under **Sections 2.4 (a) and 2.4 (b)** hereof; and
- (d) by no later than February 15, 2017, \$200,000 shall be paid by the Company to the Monitor, which shall thereafter be distributed by the Monitor to the Affected Creditors on a *pro rata* basis, according to the amounts of their respective Proven Claims, less any amounts received in respect of the distributions under **Sections 2.4 (a), 2.4 (b) and 2.4 (c)** hereof.

2.5. Settlement of Affected Claims

The payment of the entire Aggregate Distribution to the Monitor as set forth in **Section 2** hereof shall constitute the full and final payment, reduction, settlement and transaction (as envisaged by the relevant provisions of the *Civil Code of Quebec*) of all of the Affected Claims of all of the Affected Creditors and engage the releases and other provisions set forth in this Plan.

2.6. Extension of Payment Dates

Any or all of the Payment Dates may be extended by the Company with the consent of the Monitor, by additional periods not exceeding, in each case, 60 days. On application by the Company or, the Monitor made prior to a Payment Date or, if applicable, prior to the expiry of any extension thereof as described above, the Court may issue Orders extending (or further extending) any or all of the Payment Dates for any additional period(s) deemed appropriate by the Court in the then existing circumstances.

2.7. Prepayment Rights

The Company shall, at all times prior to the Final Distribution Date, be entitled to pre-pay the whole or any amount of the Aggregate Distribution prior to any Payment Date, whereupon the Amount(s) of any such pre-payment(s) shall be distributed by the Monitor

to the Affected Creditors in accordance with the provisions of **Section 2.4** hereof, *mutatis mutandis*.

SECTION 3
TREATMENT OF OTHER CLAIMS AND MATTERS

3.1 Treatment of the DIP Claim

On or before the earlier of (i) the Plan Implementation Date, or (ii) the date on which the DIP Claim becomes payable pursuant to the provisions of the DIP Facility Documents, the DIP Lender shall receive full payment of any remaining DIP Claim.

3.2 Treatment of Excluded Claims

Subject to **Section 3.1** hereof, the Excluded Claims (other than the Administration Claim, the DIP Claim and the KERP Claim) will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full by the Company in the normal course of its business as and when they become due.

3.3 Treatment of Administration Claims

All Administration Claims, if any, will be paid in full by the Company as and when they become due, and any remaining balance will be settled as soon as practicable after the Plan Implementation Date.

3.4 Treatment of Gift Card Claims

Gift Card Claims will be honored in accordance with the terms of the relevant gift card, gift certificate, lay-away deposit or other customer certificates upon presentation of such gift card, gift certificate, lay-away deposit or other customer certificates by the holder at any of the Petitioner's retail stores.

3.5 Treatment of Certain Crown Priority Claims

All Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full by the Petitioner within 6 months immediately following the Sanction Date;

3.6 Treatment of Section 6(5) Claims

All Section 6(5) Claims, if any, will be paid in such amounts as required under the CCAA immediately after the Sanction Date.

3.7 Treatment of Section 19(2) Claims

All Section 19(2) Claims, if any, will be paid by the Company as and when they become due, unaffected by this Plan.

3.8 Treatment of KERP Claims

Each KERP Claim will be paid by the Company as and when it becomes due.

3.9 Treatment of Secured Claims

Secured Claims (other than the Administration Claim, the DIP Claim, the KERP Claims and the Salus Claim) will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Company and the relevant Secured Creditor, or as may be ordered by the Court. For greater certainty, Secured Claims will be unaffected by this Plan.

3.10 Treatment of Salus Claim

The Salus Claim and the Salus Security will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Company and Salus, or as may be ordered by the Court. For greater certainty, the Salus Claim will be unaffected by this Plan.

3.11 Treatment of Fisher Group Claims

Conditional upon the enactment of a Resolution approving the Plan, issuance of the Sanction Order and implementation of the Plan as set forth in **Section 8** hereof, each member of the Fisher Group:

- (a) subordinates and postpones all of the Fisher Group Claims to and in favour of full payment of the Distribution Amount to the Affected Creditors, such that no member of the Fisher Group shall be entitled to receive any payment from the Company of any principal on any of the Fisher Claims unless and until the full Aggregate Distribution shall have been paid to the Monitor as set forth in the Plan; and
- (b) waives and renounces to any right to be an Affected Creditor.

SECTION 4
VALUATION OF CLAIMS, CREDITORS' MEETING AND RELATED MATTERS

4.1 Conversion of Affected Claims into Canadian Currency

For the purposes of determining the value of Affected Claims denominated in currencies other than Canadian dollars for voting purposes, such Affected Claims shall be converted by the Monitor to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging currency to Canadian dollars on the Determination Date (which in the case of US Dollars was C\$1.3080 for US\$1.00).

4.2 Affected Claims

Affected Creditors shall be entitled to prove their respective Affected Claims, vote their Voting Claims in respect of the Plan, and, if their Affected Claims become Proven Claims, receive the distributions, all as set forth in the Claims Procedure Order and this Plan.

All amounts recognized as Voting Claims or Proven Claims shall be net of any amount that the Company is entitled to offset, recoup, compensate or otherwise apply in reduction of such amounts.

4.3 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with this Plan, the Meeting Procedure Order, and any further Order which may be made from time to time for the purposes of considering and voting on the Resolution or other matters to be considered at the Creditors' Meeting.

4.4 Approval by Affected Creditors

The Company will seek approval of the Plan by the affirmative vote of the Required Majorities. The Resolution to be voted on at the Creditors' Meeting will be decided by the Required Majorities on a vote as set forth in the Meeting Procedure Order. The result of any vote will be binding on all Affected Creditors, whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting.

4.5 Claims Bar Date

If an Affected Creditor holding an Affected Claim has failed to file its Proof of Claim prior to the Claims Bar Date and has not been permitted to file a late claim pursuant to an Order, that Affected Creditor shall be barred from voting at the Creditors' Meeting, that Affected Creditor shall have no right to receive any distributions of the Aggregate

Distribution hereunder, the Company shall be released from the Affected Claims of such Creditor and **Section 6.2** of this Plan shall apply to all such Affected Claims.

SECTION 5
PROCEDURE FOR RESOLVING DISTRIBUTIONS IN RESPECT OF DISPUTED CLAIMS

5.1 No Distributions Pending Allowance

Notwithstanding any other provision of this Plan, no distributions of the Aggregate Distribution hereunder shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim. Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and this Plan.

5.2 Distribution From Reserve Once Disputed Claims Resolved

The Monitor shall make allocations from the Reserve to holders of Disputed Claims following any of the Payment Dates in accordance with this Plan. To the extent that Disputed Claims become Proven Claims after any relevant Payment Date, the Monitor shall, from time to time at its sole discretion, distribute from the Reserve to the holders of such Proven Claims, the amount which they would have been entitled to receive in respect of such Proven Claims had such Claims been Proven Claims on any relevant Payment Date. To the extent that any Disputed Claim or a portion thereof has become a Disallowed Claim, then the Monitor shall, at any time which it deems appropriate in the circumstances, distribute, to the holders of Proven Claims, their *pro rata* share from the Reserve of such additional amount kept in the Reserve on account of any such Disallowed Claim.

SECTION 6
EFFECT OF THE PLAN AND RELEASES

6.1 Effect of the Plan

Upon the Aggregate Distribution being fully remitted to the Monitor, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Performance**"), whereupon all Affected Claims shall be deemed to be fully and finally settled, compromised, released and transacted (as envisaged by the relevant provisions of the *Civil Code of Quebec*), as of the date of issuance of the Certificate of Performance, subject only to an Affected Creditor's right to recover the distributions under this Plan, except for Claims as may have been fully paid prior to such date, in which case those Affected Claims will be deemed to be settled as of such payment.

6.2 Releases

Upon the implementation of this Plan on the Plan Implementation Date, each of:

- (a) the Company;
- (b) the Monitor and its legal counsel in the CCAA Proceedings;
- (c) the Directors and all present and future officers and employees, legal counsel, financial advisors, consultants and agents of the Company (and their respective directors, officers and employees); and
- (d) the DIP Lender and its legal counsel in the CCAA Proceedings,

(each a “Released Party” and collectively the “Released Parties”) shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person (including any Secured Creditor in respect of each Released Party, except the Company and solely in respect to its Secured Claim), may be entitled to assert (including any and all Claims in respect of statutory liabilities and any Directors’ Claims of all Directors and all present and former officers and employees of the Company and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date in any way relating to, arising out of or in connection with Claims, the business and affairs of the Company, this Plan and the CCAA Proceedings, and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Company’s obligations under the Plan or any related document), all to the full extent permitted by law.

6.3 Exception to Releases

Nothing set forth in **Section 6.2** hereof shall:

- (a) release or discharge a Released Party from an Unaffected Claim;
- (b) release or discharge the Company from or in respect of its obligations under this Plan;
- (c) affect the right of any Person:
 - (i) to recover an indemnity from any insurance coverage under which that Person is an insured; or

- (ii) to obtain recovery on a claim or liability against a Released Party from any insurance coverage pursuant to which that Released Party is an insured, but, for certainty, any claim or liability to which an insurer is or would otherwise be subrogated as against the Company is released hereunder and the recovery to which such Person shall be entitled under such insurance coverage shall be limited to the proceeds of insurance actually paid by the insurer with respect to such claim or liability;
- (d) release or discharge the Directors with respect to matters set out in **Section 5.1 (2)** of the CCAA; or
- (e) release or discharge any Person (whether or not a Director, officer or employee of the Company) other than the Company from any obligations arising from any guarantee furnished by such Person to and in favour of any Affected Creditor.

6.4 Set-Off Rights

Notwithstanding the releases set forth under the Plan, in general, and **Sections 6.1 and 6.2** hereof, in particular, all Claims shall remain subject to any rights of set-off that otherwise would be available to the Person against whom a Claim is asserted.

6.5 Injunction Related to Releases

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to this Plan.

6.6 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed by the Company or caused by the Company, directly or indirectly, or non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Company arising from the Company's insolvency, the Company's filing a notice of intention to make a proposal under the *B/A*, the filing by the Company under the CCAA or the transactions contemplated by this Plan or otherwise, and any and all notices of default and demands for payment under any instrument, including any guarantee arising from such default, shall be deemed to have been rescinded.

SECTION 7
PROVISIONS GOVERNING DISTRIBUTIONS

7.1 Partial Distributions for Claims Allowed

Except as otherwise provided herein or as ordered by the Court, distributions of the Aggregate Distribution shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, and partial distributions may be made prior to receipt of the full amount of the Aggregate Distribution. In such a case, all such partial payments shall represent the *pro rata* amount of the distribution to which the holders of a Proven Claim would otherwise be entitled to receive.

7.2 Currency to be used for the Distribution

For the purposes of determining any Claims denominated in currencies other than Canadian Dollars for distribution purposes, such Claims shall be converted by the Monitor to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging currency to Canadian dollars on the Determination Date (which in the case of US Dollars was C\$1.3080 for US\$1.00).

7.3 Assignment of Claims

For purposes of determining entitlement to receive a distribution pursuant to this Plan, the Company and the Monitor and each of their respective agents, successors and assigns shall have no obligation to recognize any transfer of Claims except as provided for under the Claims Procedure Order or the Meeting Procedure Order.

7.4 Interest on Affected Claims

Except as specifically provided in the Plan or the Sanction Order, interest shall not be treated as accruing on account of any Affected Claims for purposes of determining the allowance and distribution of such Affected Claim. To the extent that any Proven Claim to which a distribution under this Plan relates is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall, to the extent permitted by applicable Laws, be allocated for Tax purposes to the principal amount of such Proven Claim (including any secured and unsecured portion(s) of the principal amount of such Proven Claim) first and then, to the extent that the consideration exceeds the principal amount of the Proven Claim, to the portion of such Proven Claim representing accrued but unpaid interest (including interest in respect of any secured portion of such Proven Claim).

7.5 Distributions by Monitor

The Monitor shall make all distributions required under this Plan in accordance with the provisions of this Plan, in general, and the provisions of **Section 5** and **Section 7** hereof,

in particular. The Monitor shall receive, without further Court approval, reasonable compensation from the Company for distribution services rendered pursuant to the Plan.

7.6 Delivery of Distributions

- (a) Subject to **Section 7.3** hereof, distributions shall be made by the Monitor (i) at the addresses set forth on the Proof of Claim form filed by the Affected Creditors (or at the last known addresses of such Affected Creditors if no Proof of Claim form was filed or if the Company or the Monitor has been notified in writing of a change of address), (ii) at the addresses set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim, or (iii) in a registered retirement savings plan account designated by any employee of the Company;
- (b) If any distribution to a Creditor is returned as undeliverable, no further distributions to such Creditor shall be made unless and until the Monitor is notified of the then-current address of such Creditor, at which time all missed distributions shall be made to such Creditor without interest. The Company shall make reasonable efforts to locate Affected Creditors for which distributions were undeliverable. Any claim for undeliverable distributions must be made on or before the later to occur of (i) 3 months after the Payment Date, or (ii) 3 months after such Creditor's Claim becomes a Proven Claim, after which date all unclaimed property shall revert to the Company free of any restrictions or claims thereon and the claim of any Creditor with respect to such property shall be discharged and forever barred, notwithstanding any applicable Laws to the contrary.

7.7 No Double Recovery

The aggregate recovery on account of any Proven Claim from all sources, regardless of whether on account of a theory of primary or secondary liability, by reason of guarantee, surety, indemnity, joint and several obligation or otherwise, shall not exceed (i) 100% of the underlying indebtedness, liability or obligation giving rise to such Claim or, (ii) where the underlying indebtedness, liability or obligation giving rise to such Claim is denominated in a currency (the "**Original Currency**") other than Canadian dollars, 100% of such underlying indebtedness, liability or obligation after conversion of the value of the distributions received in Canadian dollars back to the Original Currency at the Bank of Canada noon spot rate of exchange for exchanging Canadian dollars to the Original Currency on the Determination Date.

7.8 Withholding Requirements

In connection with the Plan, any distribution made hereunder by the Monitor shall be made net of all applicable Taxes. Notwithstanding any other provision of the Plan, each

Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Taxes imposed by any Governmental Authority (including income, withholding and other Taxes on account of such distribution). The Monitor, as necessary, shall be authorized to take any and all actions as may be necessary or appropriate to comply with such withholding and reporting requirements. All amounts withheld on account of Taxes shall be treated for all purposes as having been paid to the Creditor in respect of which such withholding was made, provided such withheld amounts are remitted to the appropriate Governmental Authority.

SECTION 8 IMPLEMENTATION OF THE PLAN

8.1 Conditions Precedent to Implementation of Plan

The implementation of this Plan by the Company is subject to the occurrence and/or fulfillment of each of the following conditions precedent (the "**Plan Implementation Conditions**") on or prior to the December 15, 2015 or such later date as may be ordered by the Court (the "**Plan Implementation Deadline**"), namely:

- (a) this Plan shall have been approved by Resolution enacted by the Required Majorities;
- (b) the Sanction Order sanctioning this Plan shall have been issued, and not then subject to any appeal therefrom, or the Sanction Order shall have been rendered executory notwithstanding any appeal, and the operation and effect of the Sanction Order shall not have been stayed, reversed or amended, and shall, among other things, declare and order that:
 - (i) this Plan, including the compromises and arrangements set out herein, is sanctioned and approved pursuant to Section 6 of the CCAA and, as at the Plan Implementation Date, will be effective and will enure to the benefit of and be binding upon the Company, the Affected Creditors and all other Persons referred to in this Plan or in the Sanction Order;
 - (ii) **(A)** this Plan has been approved by the Required Majorities of Affected Creditors of the Company in conformity with the CCAA; **(B)** the Company has complied with the provisions of the CCAA and the Orders of the Court made in the CCAA Proceedings in all respects; **(C)** the Court is satisfied that the Company has neither done nor purported to do anything that is not authorized by the CCAA; and **(D)** this Plan and the transactions contemplated thereby are fair and reasonable;

- (iii) the full and final release and discharge of the Claims will be effective and will enure to the benefit of and be binding upon the Company, the Affected Creditors and all other Persons referred to in this Plan upon the issuance of the Certificate of Performance;
- (iv) the Company and the Monitor are authorized to take all steps and actions necessary to implement this Plan;
- (v) all Proven Claims determined in accordance with the Claims Procedure Order are final and binding on the Company and all Affected Creditors;
- (vi) any Claims for which a Proof of Claim has not been filed by the Claims Bar Date shall be forever barred and extinguished;
- (vii) all distributions and payments by or at the direction of the Monitor, in each case on behalf of the Company, under the Plan are for the account of the Company and the fulfillment of its obligations under the Plan;
- (viii) the Company and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan;
- (ix) subject to the performance by the Company of its obligations under this Plan, all contracts, leases, agreements and arrangements to which the Company are a party and that have not been disclaimed, terminated or repudiated pursuant to the Initial Order and/or the CCAA will be and remain in full force and effect, unamended, as at the Plan Implementation Date, and no Person who is a party to any such contract, lease, agreement or other arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of dilution or other remedy) or make any demand under or in respect of any such contract, lease, agreement or other arrangement and no automatic termination will have any validity or effect, by reason of:
 - (A) any event that occurred on or prior to the Plan Implementation Date and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults, events of default, or termination events arising as a result of the insolvency of the Company);
 - (B) the insolvency of the Company, the fact that the Company filed a notice of intention to make a proposal under the BIA or the fact that the Company sought or obtained relief under the CCAA; or

- (C) any compromises or arrangements effected pursuant to this Plan or any action taken or transaction effected pursuant to this Plan;
- (x) the releases set forth in **Section 6.2** hereof and the injunction set forth in **Section 6.5** hereof are implemented and in effect; and
- (xi) the commencement or prosecution, whether directly, derivatively or otherwise, or any demands, claims, actions, causes of action, counterclaims, suits or any indebtedness, liability, obligation or cause of action released and discharged pursuant to this Plan are enjoined;
- (c) the Replacement Loan shall have been disbursed and each of the DIP Claim, the DIP Lender Charge, the Salus Claim and the Salus Security shall have been discharged and released.

8.2 Waiver of Conditions

Each of the Plan Implementation Conditions enure solely to the Company's benefit and, except for each of the conditions set forth in **Sections 8.1 (a)** and **8.1 (b)(i)** hereof, may be waived in whole or in part either (i) solely by the Company (and no other Person and without the consent of any other Person), without any other notice to parties in interest or the Court and without a hearing, or (ii) by the Court. The failure to satisfy or waive any of the Plan Implementation Conditions prior to the Plan Implementation Date may be asserted by the Company regardless of the circumstances giving rise to the failure of such Plan Implementation Conditions to be satisfied (including any action or inaction by the Company). The failure of the Company to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an on-going right that may be asserted at any time.

8.3 Certificate of Implementation

Upon the occurrence and/or fulfillment of all of the Plan Implementation Conditions (or waiver thereof, as the case may be) on or prior to the Plan Implementation Deadline, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Implementation**").

8.4 Effect of Plan

Upon the issuance of the Certificate of Performance, the settlement of the Affected Claims in accordance with the Plan shall become final and binding on the Company, and all the Affected Creditors and their respective successors and assigns, and this Plan shall result in the full and final settlement of all Affected Claims, including for greater certainty, any Restructuring Claim and any Claims resulting, directly or indirectly, from the consequences and effects relating to the acceptance of the Plan by the Affected

Creditors, its sanction by the Court, or its implementation, and any indebtedness, obligations or undertakings which the Company may subsequently become subject to, directly or indirectly, as a result of an obligation, transaction or an event that occurred before the Determination Date, as well as any indebtedness, obligations or any undertakings that the Company may be subject to on any date whatsoever in connection with the Plan, the approval thereof by the Court or the implementation thereof. For greater certainty, this Plan shall not affect or impair any rights, remedies and recourses which the Company had, has or may have after the issuance of the Certificate of Performance in connection with transactions, facts or obligations existing prior to the Determination Date;

8.5 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) on or prior to the Plan Implementation Deadline, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). Upon the issuance of such Certificate of Non-Implementation, this Plan shall automatically become null, void and of no effect whatsoever and neither the Company, the Affected Creditors, the Monitor nor any other Person affected by this Plan shall be bound, obliged or affected by any of the provisions of this Plan.

SECTION 9 **MISCELLANEOUS**

9.1 Confirmation of Plan

Upon occurrence and/or fulfillment of all of the Plan Implementation Conditions (or waiver thereof, as the case may be) on or prior to the Plan Implementation Deadline, this Plan shall be binding upon the Company, the Affected Creditors and any and all other Persons affected by the provisions of this Plan as well as each of their respective successors and assigns.

9.2 Paramountcy

From and after the Plan Implementation Date, any conflict between this Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Company, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Company as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of this Plan and the Sanction Order, which shall take precedence and priority. For greater certainty,

all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by this Plan.

9.3 Modification of Plan

The Company:

- (a) in consultation with the Monitor and the DIP Lender (if any DIP Claim remains outstanding), reserves the right to file any modification of, or amendment or supplement to, this Plan by way of supplementary plan or plans of reorganization, compromise or arrangement (or any one or more thereof) at or before the Creditors' Meeting, in which case any such supplementary plan or plans of reorganization, compromise or arrangement (or an one or more thereof), shall, for all purposes, be and be deemed to form part of and be incorporated into this Plan. The Company shall file any supplementary plans with the Court as soon as practicable. The Company shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve this Plan. The Company may give notice of a proposed modification, amendment or supplement to this Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or

- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Company, in consultation with the Monitor and, if prior to the Plan Implementation Date, the DIP Lender (if any DIP Claim then remains), at any time and from time to time vary, amend, modify or supplement this Plan, (except to reduce the amount of the Aggregate Distribution or extend any Payment Dates other than as expressly provided herein), without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under this Plan or the Sanction Order and is necessary in order to give effect to the substance of this Plan or the Sanction Order. All of the foregoing shall not require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.4 Deeming Provisions

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

9.5 Sections 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the *BIA* shall not apply to this Plan. Accordingly, neither the Monitor, any Creditor nor any other Person shall be entitled to exercise any right, remedy or recourse, or to commence any action, motion, application or any other proceeding against any member of the Fisher Group, any Creditor or any other Person in relation to the Company, based on Section 38 and Sections 95 through 101 of the *BIA*.

9.6 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Company and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Company under this Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by this Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Procedure Order, the Sanction Order and any other Orders.

9.7 Liability Limitations

The Monitor, the Company and their respective legal counsel and other professional advisors, shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.8 Notices

- (a) Any notices or communication to be made or given hereunder to the Company or the Monitor shall be in writing and shall refer to this Plan and may, subject as hereinafter provided, be made or given by personal delivery, by courier, by prepaid mail, by fax or by e-mail, addressed to the respective parties as follows:

(i) if to the Company:

LAURA'S SHOPPE (P.V.) INC.
2955 Jules-Brillant
Laval, Quebec
H7P 6B2

Attention: Kalman Fisher and
Josh Fisher
E-Mails: kfisher@laura.ca
josh.fisher@laura.ca
Fax: (450) 973-6099

with copy to:

KUGLER KANDESTIN LLP
1 Place Ville Marie
Suite 2101
Montreal, Quebec
H3B 2C6

Attention: Gerald F. Kandestin,
David Stolow and
Jeremy Cuttler
E-Mail: gakandestin@kklex.com
dstolow@kklex.com
jcuttler@kklex.com
Fax: (514) 875-8424

(ii) if to the Monitor:

KPMG LLP
KPMG Tower
600 De Maisonneuve Blvd., West
Suite 1500
Montreal, Quebec
H3A 0A3

Attention: Dev Coossa
E-Mail: dcoossa@kpmg.ca
Fax: (514) 840-2121

with copy to:

FISHMAN FLANZ MELAND PAQUIN, L.L.P.

1250 Rene-Levesque Blvd., West
Suite 4100
Montreal, Quebec
H3B 4W8

Attention: Avram Fishman and
Mark Meland

E-Mails: afishman@ffmp.ca
mmeland@ffmp.ca

Fax: (514) 932-4170

or to such other address as any party may from time to time notify the others in accordance with this **Section 9.8**. In the event of any strike, lock-out or other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery, fax or e-mail and any notice or other communication given or made by prepaid mail within the 5 Business Day period immediately preceding the commencement of such interruption, unless actually received, shall be deemed not to have been given or made. All such notices and communications shall be deemed to have been received, in the case of notice by delivery, fax or e-mail prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and, in the case of notice mailed as aforesaid, on the fourth Business Day following the date on which such notice or other communication is mailed. The unintentional failure by the Company or the Monitor to give any notice contemplated hereunder to any particular Creditor shall not invalidate this Plan or any action taken by any Person pursuant to this Plan.

- (b) Any notices or communication to be made or given hereunder by the Monitor or the Company to a Creditor may be sent by fax, e-mail, ordinary mail, registered mail, courier or facsimile transmission to the e-mail address, address or fax number specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to this Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier, fax or e-mail.

9.9 Severability of Plan Provisions

If, prior to the Sanction Date, any term or provision of this Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Company which request shall be made in consultation with the Monitor and the DIP Lender (if any DIP Claim then remains), shall have the power to either:

- (a) sever such term or provision from the balance of this Plan and provide the Company with the option to proceed with the implementation of the balance of this Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and 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 severing, holding, alteration or interpretation, and provided the Company proceeds with the implementation of this Plan, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.10 Revocation, Withdrawal or Non-Consummation

The Company, upon consultation with the Monitor and the DIP Lender, reserves the right to revoke or withdraw this Plan at any time prior to the Sanction Date and to file subsequent plans of arrangement and compromise. If the Company revokes or withdraws this Plan, or if the Sanction Order is not issued:

- (a) this Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in this Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null, void and inoperative; and
- (c) nothing contained in this Plan, and no act taken in preparation for consummation of this Plan, shall:
 - (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Company or any other Person;
 - (ii) prejudice in any manner the rights of the Company or any Person in any further proceedings involving the Company; or

(iii) constitute an admission of any sort by the Company or any other Person.

9.11 Further Assurance

Notwithstanding that the transactions and events set out in this Plan shall occur and be deemed to occur in the order set out herein without any additional act or formality, each of the Persons affected hereby shall make, do and execute, or cause to be made, done and executed at the cost of the requesting party, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by the Company in order to better implement this Plan.

9.12 Governing Law

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

9.13 Successors and Assigns

This Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Company, the Directors, the Affected Creditors or any other Persons affected by or benefiting from the provisions of this Plan.

9.14 French Language Version of Plan

In the event of any discrepancy between any of the provisions of the English language version of this Plan and any French language version thereof, the provisions of the English version of this Plan shall, under all circumstances, prevail and govern.

9.15 Choice of Language

The Company and each of the hereafter enumerated members of the Fisher Group acknowledges that it (or he) has required that this Plan and all related documents be prepared, in English. La Compagnie et chacun des membres du "Fisher Group" ci-après énumérés reconnaît avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.

(signature page to follow)

MONTREAL, Province of Quebec, this 16th day of October, 2015.


LAURA'S SHOPPE (P.V.) INC.

Per:



Kalman Fisher, President

EACH of the following members of the Fisher Group acknowledges haven taken cognizance of the contents of this Plan and consents to the provisions of Section 3.11 hereof.



KALMAN FISHER

3482731 CANADA INC.


Per:



Kalman Fisher

9318-5494 QUEBEC INC.

Per:



Kalman Fisher

A N N E X
 (TO PLAN OF COMPROMISE AND ARRANGEMENT OF
 LAURA'S SHOPPE (P.V.) INC.)

DISCLAIMED LEASES

	LANDLORD	STORE LOCATION	STORE BANNER
1.	Calloway REIT (Halifax) Ltd. (Smartcentres)	Bayers Lake Center 208 Chain Lake Drive Halifax, Nova Scotia B3S 1C5	Laura
2.	The Boulevard Shopping Centre (Montreal) Limited Partnership	The Boulevard Shopping Centre 4270 Jean Talon Street East Montreal, Quebec H1S 1J7	Laura
3.	Calloway Reit (Cambridge) Inc. (Smartcentres)	Cambridge Centre 28 Pinebush Road Cambridge, Ontario	Laura
4.	Riocan Holdings (Quebec) Inc.	Mega Centre Notre-Dame Notre-Dame and Autoroute 13 Laval, Quebec H7X 3V5	Laura
5.	3945333 Manitoba Limited (Smartcentres)	SmartCentres Winnipeg Southwest 1665 Kenaston Blvd. Unit P3 Winnipeg, Manitoba R3P 2M4	Laura
6.	Riocan Property Services Trust as agent for 2113362 Ontario Limited, as to an undivided one-half interest, and Trinity Properties Alberta Limited as to an undivided one-half interest	Beacon Hill Centre 11834 Sarcee Trail NW Calgary, Alberta T3R 0A1	Laura

	LANDLORD	STORE LOCATION	STORE BANNER
7.	Beauward Shopping Centres Ltd.	Galeries Joliette 1075 Firestone Blvd. Joliette, Quebec J6E 6X6	Laura
8.	Montez Core Income Fund Limited Partnership -and- Hillcrest Property Holdings Inc.	Hillcrest Mall 9350 Yonge Street Richmond Hill, Ontario L4C 5G2	Laura
9.	Carrefour Richelieu Realities Ltd. (Westcliff)	Carrefour Angrignon 7077 Newman Blvd. LaSalle, Quebec H8N 1X1	Laura Plus
10.	Omers Realty Management Corporation, by its manager OPGI Management GP Inc. (as general partner of the OPGI Management Limited Partnership)	Square One Shopping Centre 100 City Centre Drive Mississauga, Ontario L5B 2C9	Laura Plus
11.	Park Royal Shopping Centre Holdings Ltd.	Park Royal Shopping Centre 2002 Park Royal South West Vancouver, BC V7T 2W4	Melanie Lyne
12.	Oxford Properties Group Inc. -and- CPP Investment Board Real Estate Holdings Inc.	Edmonton City Centre West 10020-102 Avenue Edmonton, Alberta T5J 4B7	Melanie Lyne
13.	Dartmouth Crossing Limited	Dartmouth Crossing 34 Logiealmond Close Dartmouth, Nova Scotia B3B 0C8	Melanie Lyne
14.	RRL Burloak Inc. -and- 2121049 Ontario Limited, by its agent RioCan Property Services Inc. (Trustee for RioCan Real Estate Investment Trust)	RioCan Centre Burloak 3543 Wyecroft Road Oakville, Ontario	Melanie Lyne

	LANDLORD	STORE LOCATION	STORE BANNER
15.	Riotrin Properties (Orleans) Inc.	Trinity Crossing 4210 Innes Road Orleans, Ontario K4A 5E6	Melanie Lyne
16.	RioCan Holdings (TJV Bromont) Inc. -and- 1633272 Alberta ULC	Carrefour Champêtre Bromont 105 boul. le Carrefour Bromont, Quebec J2L 3L1	Laura
17.	1451945 Ontario Limited -and- Sun Life Assurance Company of Canada	Mayfield Common 288 Mayfield Common Northwest Edmonton, Alberta T5P 4B3	Laura
18.	RioCan Meadows Shopping Centre Inc. -and- 2118717 Ontario Limited	RioCan Meadows 3918 - 17 St. NW Edmonton, Alberta T6T 0C2	Laura
19.	Riotrin Properties Inc.	RioCan Signal Hill Center 5715 Signal Hill Center SW Calgary, Alberta T3H 3P8	Laura
20.	713949 Ontario Limited	St. Laurent Shopping Centre 1200 St. Laurent Blvd. Ottawa, Ontario K1K 3B8	Laura
21.	Montez Core Income Fund Limited Partnership -and- Hillcrest Property Holdings Inc.	Hillcrest Mall 9350 Yonge Street Richmond Hill, Ontario L4C 5G2	Melanie Lyne
22.	Les Factoeries Saint- Sauveur (2003) Inc.	Les Factoreries Saint-Sauveur 160 chemin du Lac-Millette Saint-Sauveur, Quebec J0R 1R6	Melanie Lyne

SCHEDULE B
(Notice to Creditors)



KPMG Inc.
Tour KPMG
Suite 1500
600 de Maisonneuve Blvd. West
Montréal (Québec) H3A 0A3

Telephone (514) 840-2100
Fax (514) 840-2121
Internet www.kpmg.ca

CANADA

**SUPERIOR COURT
(Commercial Division)**

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
No.: 500-11-049256-155

IN THE MATTER OF THE PLAN OF COMPROMISE
AND ARRANGEMENT OF:

**MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE
(P.V.) INC.**

Debtor

- and -

KPMG INC.

Monitor

NOTICE OF CREDITORS' MEETING

The undersigned, KPMG Inc. (the "**Monitor**"), is the Court-appointed Monitor of Magasin Laura (P.V.) Inc. / Laura's Shoppe (P.V.) Inc. ("**Laura**") pursuant to an Initial Order issued on August 12, 2015 by the Superior Court of Quebec (Commercial Division) (the "**Court**") in the above-mentioned proceedings. On September 11, 2015, the Court issued an order establishing certain procedures for the purpose of identifying, establishing, adjudicating or otherwise resolving all Claims against Laura (the "**Claims Procedure Order**").

Laura has filed with the Court a Plan of Compromise and Arrangement (as may be amended, varied or supplemented from time to time, "**Plan**"), which contemplates Laura's reorganization and the compromise of the Affected Claims of Affected Creditors. All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

NOTICE IS HEREBY GIVEN that on October __, 2015, the Court issued an *Order for the Filing of the Plan of Compromise and Arrangement and the Calling of a Creditors' Meeting* (the "**Meeting Procedure Order**") to allow Affected Creditors to consider and vote on the Plan, and **a meeting of Affected Creditors will therefore be held on ●, 2015 at ● (Eastern Standard Time) at ●** (as may be adjourned, postponed or rescheduled, the "**Creditors' Meeting**").

The Claims Procedure Order, Plan and Meeting Procedure Order contain important information regarding the voting process and are available on the Monitor's Website at <http://www.kpmg.ca/laura-en>.

Any Affected Creditor who wishes to vote on the Plan must have submitted a Proof of Claim and proven its Voting Claim in the manner and within the time specified in the Meeting Procedure Order and the Claims Procedure Order. Affected Creditors who do not have Voting Claims or disputed Claims that have been accepted as Voting Claims in accordance with the Meeting Procedure Order and the Claims Procedure Order are not entitled to attend or vote at the Creditors' Meeting.

For the purpose of voting on and receiving distributions pursuant to the Plan, the Affected Claims comprise a single class, as set out in the Plan. For the Plan to come into effect: (i) it must be approved by a majority in number, representing not less than two-thirds in value of the Voting Claims of Affected Creditors (in person or by proxy); and (ii) the conditions set out in the Plan must be satisfied or waived.

Any Affected Creditor who is entitled to vote at the Creditors' Meeting but is unable or does not intend to attend in person may vote by dating, signing and returning the enclosed Proxy Form in the return envelope provided in accordance with the accompanying instructions. For voting purposes at the Creditors' Meeting, a Proxy Form must be received by the Monitor, at the address listed below, or by email or facsimile transmission, on or before 5:00 pm Eastern Standard Time, on ●, 2015 or on the Business Day immediately prior to the adjournment, the postponement or the rescheduling of the Creditors' Meeting, or by the Chair of such Creditors' Meeting prior to the commencement of such Creditors' Meeting or any adjournment, postponement or rescheduling thereof.

Affected Creditors are responsible for obtaining proof of delivery, if required, of such Proxy Forms.

The Monitor's coordinates for the purpose of receiving Proxy Forms and for requests of additional information or materials related to the Creditors' Meeting are:

KPMG INC.
MONITOR OF MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.
600 de Maisonneuve Blvd. West
Suite 1500
Montreal, Quebec
Canada H3A 0A3
Attention: Laura's Shoppe Creditors' Meeting
Fax: 514-840-2121
Email: claimslaura@kpmg.ca

We enclose with this notice a copy of the Plan, the Meeting Procedure Order and a blank Proxy Form with instructions for the completion thereof.

NOTICE IS ALSO HEREBY GIVEN that, if the Plan is approved by the requisite majority of Affected Creditors, and all other conditions of the Plan are satisfied or waived, Laura intends to seek an order sanctioning the Plan. A copy of the proceedings will be posted on the Monitor's website, at <http://www.kpmg.ca/laura-en>, as soon as practicable after it is filed with the Court.

Yours very truly,

KPMG INC., in its capacity as Court-appointed Monitor of Magasin Laura (P.V.) Inc. / Laura's Shoppe (P.V.) Inc.



KPMG Inc.
Tour KPMG
Suite 1500
600 de Maisonneuve Blvd. West
Montréal (Québec) H3A 0A3

Telephone (514) 840-2100
Fax (514) 840-2121
Internet www.kpmg.ca

CANADA

**COUR SUPÉRIEURE
(Chambre commerciale)**

PROVINCE DE QUÉBEC
DISTRICT DE MONTRÉAL
N° : 500-11-049256-155

DANS L'AFFAIRE DU PLAN DE COMPROMIS ET
D'ARRANGEMENT DE :

MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE
(P.V.) INC.

Débitrice

- et -

KPMG INC.

Contrôleur

AVIS DE CONVOCATION À L'ASSEMBLÉE DES CRÉANCIERS

La soussignée, KPMG Inc. (le « **Contrôleur** »), est le contrôleur de Magasin Laura (P.V.) Inc. / Laura's Shoppe (P.V.) Inc. (« **Laura** ») nommé par le tribunal en vertu d'une ordonnance initiale prononcée le 12 août 2015 par la Cour supérieure du Québec (Chambre commerciale) (le « **Tribunal** ») dans les procédures mentionnées ci-dessus. Le 11 septembre 2015, le Tribunal a prononcé une ordonnance établissant certaines formalités afin d'identifier, établir, statuer ou autrement résoudre les Réclamations (telles que désignées par le terme anglais « *Claims* » dans la version originale anglaise du Plan) contre Laura (l'« **Ordonnance relative au traitement des Réclamations** »).

Laura a déposé auprès du Tribunal un plan de compromis et d'arrangement (tel qu'amendé, le cas échéant, « **Plan** ») qui prévoit la réorganisation de Laura et le compromis des Réclamations Visés (telles que désignées par le terme anglais « *Affected Claims* » dans la version originale anglaise du Plan) des Créanciers Visés (tels que désignés par le terme anglais « *Affected Creditors* » dans la version originale anglaise du Plan).

PAR LES PRÉSENTES, UN AVIS VOUS EST DONNÉ à l'effet que le Tribunal a prononcé le ● octobre 2015 une ordonnance pour le dépôt du plan de compromis et d'arrangement et la convocation d'une assemblée des créanciers (l'« **Ordonnance de procédure d'assemblée** ») afin de permettre aux Créanciers Visés de considérer et de voter sur le Plan, et **une assemblée des Créanciers Visés sera donc tenue le ● 2015 à ● (heure normale de l'Est) au ●** (telle qu'ajournée, reportée ou remise, l'« **Assemblée des Créanciers** »).

L'Ordonnance relative au traitement des Réclamations, l'Ordonnance de procédure d'assemblée et le Plan contiennent des informations importantes sur la procédure de vote et sont disponibles sur le site web du Contrôleur au <http://www.kpmg.ca/laura-fr>.

Tout Créancier Visé souhaitant voter sur le Plan doit avoir soumis une Preuve de Réclamation (telle que désignée par le terme anglais « *Proof of Claim* » dans la version originale anglaise du Plan) et fait la preuve de sa Réclamation Votante (telle que désignée par le terme anglais « *Voting Claim* » dans la version originale anglaise du Plan) de la manière et dans les délais prévus aux Ordonnance relative au traitement des Réclamations et Ordonnance de procédure d'assemblée. Les Créanciers Visés qui ne détiennent pas de Réclamations Votantes ou de Réclamations contestées ayant été acceptées à titre de Réclamations Votantes selon l'Ordonnance relative au traitement des Réclamations et l'Ordonnance de procédure d'assemblée ne peuvent assister ou voter à l'Assemblée des Créanciers.

Aux fins du vote sur le Plan et de la réception de distributions en vertu de celui-ci, les Réclamations Visées ne comportent qu'une seule catégorie, tel qu'indiqué dans le Plan. Pour que le Plan entre en vigueur : (i) celui-ci doit être approuvé par une majorité en nombre, représentant au moins les deux tiers en valeur des Réclamations Votantes des Créanciers Visés (en personne ou par procuration) ; et (ii) les conditions prévues au Plan doivent être satisfaites ou faire l'objet d'une renonciation.

Tout Créancier Visé habilité à voter à l'Assemblée des Créanciers, mais qui ne peut ou ne souhaite pas y assister, peut voter en datant, signant et faisant parvenir à l'aide de l'enveloppe de retour ci-jointe le Formulaire de procuration ci-joint selon les instructions fournies. Aux fins du vote lors de l'Assemblée des Créanciers, un Formulaire de procuration doit être reçu par le Contrôleur à l'adresse ci-dessous, ou par courriel ou télécopieur, au plus tard à 17h00, heure normale de l'Est, le • 2015 ou le jour ouvrable précédant immédiatement la date à laquelle l'Assemblée des Créanciers est ajournée, reportée ou remise, ou par le président de l'Assemblée des Créanciers avant l'ouverture de cette dernière ou de sa reprise en cas d'ajournement, de report ou de remise.

Les Créanciers Visés sont tenus d'obtenir un accusé de réception, le cas échéant, de ces Formulaires de procuration.

Les coordonnées du Contrôleur aux fins de la réception des Formulaires de procuration et pour les demandes d'information ou de documents additionnels relativement à l'Assemblée des Créanciers sont :

KPMG INC.
CONTRÔLEUR DE MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.
600, boul. de Maisonneuve Ouest
Bureau 1500
Montréal, Québec
Canada H3A 0A3
Attention : Assemblée des Créanciers de Magasin Laura
Télécopieur : 514-840-2121
Courriel : claimslaura@kpmg.ca

Nous joignons au présent avis un exemplaire du Plan et de l'Ordonnance de procédure d'assemblée, ainsi qu'un Formulaire de procuration vierge et les instructions afin de le remplir.

PAR LES PRÉSENTES, UN AVIS VOUS EST ÉGALEMENT DONNÉ à l'effet que Laura à l'intention de demander une ordonnance d'homologation du Plan si le Plan est approuvé par la majorité requise de Créanciers Visés et si l'ensemble des conditions prévues au Plan sont satisfaites ou ont fait l'objet d'une renonciation. Une copie des procédures sera affichée sur le

site web du Contrôleur, au <http://www.kpmg.ca/laura-fr>, dès que possible après son dépôt auprès du Tribunal.

Recevez nos salutations distinguées.

KPMG INC., agissant à titre de
Contrôleur de Magasin Laura (P.V.) Inc.
/ Laura's Shoppe (P.V.) Inc. nommé par
le Tribunal

SCHEDULE C
(Proxy Form)

CANADA

SUPERIOR COURT
(Commercial Division)

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
No.: 500-11-049256-155

IN THE MATTER OF THE PLAN OF COMPROMISE AND
ARRANGEMENT OF:

MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.)
INC.

Debtor

- and -

KPMG INC.

Monitor

PROXY FORM AND INSTRUCTIONS FOR AFFECTED CREDITORS IN THE MATTER OF
THE PLAN OF COMPROMISE AND ARRANGEMENT OF MAGASIN LAURA (P.V.) INC. /
LAURA'S SHOPPE (P.V.) INC.

A MEETING OF AFFECTED CREDITORS will be held at the time and place below pursuant to the Order for the Filing of the Plan of Compromise and Arrangement and the Calling of a Creditors' Meeting (the "**Meeting Procedure Order**") rendered by the Quebec Superior Court (Commercial Division) on • to allow Affected Creditors (as defined in the Plan) to vote on the Plan of Compromise and Arrangement proposed by Magasin Laura (P.V.) inc. / Laura's Shoppe (P.V.) Inc. ("**Laura**") filed pursuant to the *Companies' Creditors Arrangement Act* (Canada) (as may be amended from time to time, the "**Plan**").

On •, 2015 at • (Eastern Standard Time)
at •,

as may be adjourned, postponed or rescheduled (the "**Creditors' Meeting**").

IF YOU DO NOT WISH TO ATTEND THE CREDITORS' MEETING IN PERSON but wish to appoint a proxyholder to attend the Creditors' Meeting to vote on your behalf in respect of the Plan and otherwise act for and on your behalf at the Creditors' Meeting and any adjournment(s), postponement(s) or rescheduling(s) thereof, please follow the instructions below.

PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED PROXY FORM AND RETURN IT TO KPMG INC., IN ITS CAPACITY AS MONITOR, SO THAT IT RECEIVES IT BY NO LATER THAN 5:00 PM EASTERN STANDARD TIME, ON •, 2015 (THE "**VOTING DEADLINE**") OR ON THE BUSINESS DAY IMMEDIATELY PRECEDING ANY ADJOURNMENT, POSTPONEMENT OR RESCHEDULING OF THE CREDITORS' MEETING. The Proxy Form may also be deposited with the Chair (as defined in the Plan) at the Creditors' Meeting before the beginning of the Creditors' Meeting.

LA VERSION FRANÇAISE DE CE FORMULAIRE DE PROCURATION EST DISPONIBLE SUR LE SITE WEB DU CONTRÔLEUR DÉSIGNÉ AUX TERMES DE LA LACC, À L'ADRESSE <http://www.kpmg.ca/laura-fr>.

On September 11, 2015, the Quebec Superior Court (Commercial Division) issued an order establishing certain procedures for the purpose of identifying, establishing, adjudicating or otherwise resolving all Claims against Laura (the "**Claims Procedure Order**"), a copy of which is available on the Monitor's Website at <http://www.kpmg.ca/laura-en>. The Claims Procedure Order and the Meeting Procedure Order contain important information regarding the voting process.

The Plan is attached to the Notice of Creditors' Meeting of Laura dated ●, 2015, a copy of which you have received. All capitalized terms used but not defined herein and in the Proxy Form shall have the meanings ascribed to such terms in the Plan.

Please read the Plan, the Claims Procedure Order and the Meeting Order and the instructions sent with the Proxy Form prior to submitting the Proxy Form.

If the Plan is sanctioned by the Quebec Superior Court, it will be binding on you whether or not you vote.

Montreal, this ● day of ● 2015

KPMG INC., in its capacity as
Court-appointed Monitor of
Magasin Laura (P.V.) Inc. / Laura's
Shoppe (P.V.) Inc.

IN THE MATTER OF THE PLAN OF COMPROMISE AND ARRANGEMENT OF
MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.

PROXY FORM

By checking one of the two boxes below, the undersigned Affected Creditor hereby revokes all proxies previously given and nominates, constitutes and appoints either _____ or a representative of KPMG Inc., in its capacity as Monitor, as proxyholder (if you would like the Monitor to act as your proxyholder, leave space blank) with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the Creditors' Meeting and any adjournment(s) thereof, and to vote the amount of the Voting Claim. Without limiting the generality of the power hereby conferred, the person named as proxyholder is specifically directed to vote as shown below. The person named as proxyholder is also directed to vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the Plan and to any matters that may come before the Creditors' Meeting or any adjournment thereof and to vote the amount of the Affected Creditor's Voting Claim(s) as follows (mark only one):

Vote **FOR** approval of the Plan Vote **AGAINST** approval of the Plan

Please note that if no specification is made hereinabove, the Affected Creditor will be deemed to have voted FOR approval of the Plan.

Dated this _____ day of _____, 2015.

Print Name of Affected Creditor

Signature of Affected Creditor or, if the Affected Creditor is a corporation, partnership or trust, signature of an authorized signing officer of the corporation, partnership or trust

Title of the authorized signing officer of the corporation, partnership or trust, if applicable

E-mail address of Affected Creditor

Telephone number of Affected Creditor or authorized signing officer

Mailing address of Affected Creditor

INSTRUCTIONS FOR COMPLETION OF THE PROXY FORM

1. Please read and follow these instructions carefully. All capitalized terms used but not defined in this Proxy Form shall have the meanings ascribed to such terms in the Plan, a copy of which is available on the Monitor's Website at <http://www.kpmg.ca/laura-en>.
2. Please submit your Proxy Form to the Monitor promptly. You may use the pre-addressed, return envelope provided with the Proxy Form. **YOUR ORIGINAL PROXY FORM MUST BE ACTUALLY RECEIVED BY THE MONITOR AT THE ADDRESS LISTED BELOW, OR BY EMAIL OR FACSIMILE TRANSMISSION, ON OR BEFORE 5:00 PM EASTERN STANDARD TIME, ON THE VOTING DEADLINE (●, 2015) OR ON THE BUSINESS DAY IMMEDIATELY PRIOR TO THE ADJOURNMENT, THE POSTPONEMENT OR THE RESCHEDULING OF THE CREDITORS' MEETING:**

KPMG INC.
MONITOR OF MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.
600 de Maisonneuve Blvd. West
Suite 1500
Montreal, Quebec
Canada H3A 0A3
Attention: Laura's Shoppe Creditors' Meeting
Fax: 514-840-2121
Email: claimslaura@kpmg.ca

Your Proxy Form may also be hand-delivered to the Chair of the Creditors' Meeting, prior to the Creditors' Meeting, or any adjournment, postponement or rescheduling thereof.

3. Each Affected Creditor who has a right to vote at the Creditors' Meeting has the right to appoint as proxyholder a person (who need not be an Affected Creditor) to attend, act and vote for and on behalf of the Affected Creditor.
4. In order to appoint a proxyholder for the Creditors' Meeting and to vote by proxy to accept or reject the Plan, rather than in person at the Creditors' Meeting, you must:
 - a. either write the name of your proxyholder in the designated space provided on the Proxy Form or, if you would like a representative of the Monitor to act as your proxyholder, leave the space blank (If no name has been inserted in the space provided, the Affected Creditor will be deemed to have appointed any officer of KPMG Inc., in its capacity as Monitor, or such other person as KPMG Inc. may designate, as proxyholder of the Affected Creditor, with power of substitution, to attend on behalf of and act for the Affected Creditor at the Creditors' Meeting to be held in connection with the Plan and at any and all adjournments, postponements or other rescheduling thereof);
 - b. check the appropriate box to indicate your vote (NOTE: if you do not check either box, you will be deemed to have voted FOR approval of the Plan);
 - c. sign the Proxy Form — your original signature is required on the Proxy in order to appoint a proxyholder and vote at the Creditors' Meeting;
 - d. if you are completing the Proxy Form as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing and, if subsequently

requested, provide proof of your authorization to so sign. In addition, please provide your name and mailing address; and

- e. return the completed Proxy Form to the Monitor within the delay stipulated above.
5. If multiple Proxy Forms are received from the same person with respect to the same Claims prior to the Voting Deadline, the latest dated, validly executed Proxy Form timely received will supersede and revoke any earlier received Proxy Form. All otherwise valid Proxy Forms bearing the same date that vote the same Voting Claims inconsistently will not be counted. If a Proxy Form is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.
6. If a Creditor attends the Creditors' Meeting and votes in person, that vote will supersede and revoke all previously received Proxy Forms.
7. Any Proxy Form that is illegible or contains insufficient information to permit the identification of the claimant shall not be counted.
8. Any Proxy Form that attempts to partially accept and partially reject the Plan will not be counted.
9. After the Voting Deadline, no Proxy may be withdrawn or modified, except by Proxy deposited with the Chair at the Creditors' Meeting or by a Creditor voting in person at the Creditors' Meeting, without the prior consent of Laura.

IF YOU HAVE ANY QUESTIONS REGARDING THE PROXY FORM OR THE PROCEDURES GENERALLY, OR IF YOU NEED ADDITIONAL COPIES OF THE FORM OF PROXY OR OTHER ENCLOSED MATERIALS, PLEASE CALL THE MONITOR AT 1-855-940-2565 OR VISIT THE MONITOR'S WEBSITE AT <http://www.kpmg./laura-en>.

No fees, commissions, or other remuneration will be payable to any broker, dealer, or other person for soliciting votes on the Plan. The Proxy Form is not a letter of transmittal and may not be used for any purpose other than to appoint a proxyholder and to cast votes to accept or reject the Plan.



KPMG inc.
Tour KPMG
Bureau 1500
600, boul. de Maisonneuve Ouest
Montréal (Québec) H3A 0A3

Téléphone (514) 840-2100
Télécopieur (514) 840-2121
Internet www.kpmg.ca

CANADA

COUR SUPÉRIEURE
(Chambre commerciale)

PROVINCE DE QUÉBEC
DISTRICT DE MONTRÉAL
N° : 500-11-049256-155

DANS L'AFFAIRE DU PLAN DE COMPROMIS ET
D'ARRANGEMENT DE :

MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.)
INC.

Débitrice

- et -

KPMG INC.

Contrôleur

FORMULAIRE DE PROCURATION ET INSTRUCTIONS POUR LES CRÉANCIERS VISÉS
DANS L'AFFAIRE DU PLAN DE COMPROMIS ET D'ARRANGEMENT
DE MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.

UNE ASSEMBLÉE DES CRÉANCIERS VISÉS se tiendra à la date et l'adresse ci-dessous conformément à l'ordonnance de dépôt du plan de compromis ou d'arrangement et de convocation d'une assemblée des créanciers prononcée par la Cour supérieure du Québec (Chambre commerciale) le • 2015 (l'« **Ordonnance de procédure d'assemblée** ») afin de permettre aux Créanciers Visés (tels que désignés par le terme anglais « *Affected Creditors* » dans la version originale anglaise du Plan) de voter sur le Plan de compromis ou d'arrangement de Magasin Laura (P.V.) inc. / Laura's Shoppe (P.V.) Inc. déposé en vertu de la *Loi sur les arrangements avec les créanciers des compagnies* (Canada) (telle qu'amendée, le cas échéant, le « **Plan** »).

Le • 2015 à •h• (heure normale de l'Est)
au •,

telle qu'ajournée, reportée ou remise (l'« **Assemblée des Créanciers** »).

Veillez suivre les instructions suivantes **SI VOUS NE SOUHAITEZ PAS ASSISTER À L'ASSEMBLÉE DES CRÉANCIERS AFIN D'Y ASSISTER EN PERSONNE**, mais souhaitez plutôt nommer un fondé de pouvoir qui assistera à l'Assemblée des Créanciers pour y voter en lien avec le Plan en votre nom et qui agira par ailleurs en votre nom à l'Assemblée des Créanciers et à tout ajournement, report ou remise de celle-ci.

VEUILLEZ REMPLIR, SIGNER ET DATER LE FORMULAIRE DE PROCURATION CI-JOINT ET LE FAIRE PARVENIR À KPMG INC., AGISSANT À TITRE DE CONTRÔLEUR, DE

MANIÈRE À CE QU'IL SOIT REÇU AU PLUS TARD À 17H00, HEURE NORMALE DE L'EST, LE • 2015 (LA « **DATE LIMITE POUR VOTER** ») OU LE JOUR OUVRABLE PRÉCÉDANT IMMÉDIATEMENT LA DATE À LAQUELLE L'ASSEMBLÉE DES CRÉANCIERS EST ÉVENTUELLEMENT AJOURNÉE, REPORTÉE OU REMISE. Le Formulaire de procuration peut également être remis au président de l'Assemblée des Créanciers avant l'ouverture de cette dernière.

THE ENGLISH VERSION OF THIS PROXY FORM IS AVAILABLE ON THE WEBSITE OF THE MONITOR APPOINTED UNDER THE CCAA, AT <http://www.kpmg.ca/laura-en>.

Le 11 septembre 2015, la Cour supérieure du Québec (Chambre commerciale) a prononcé une ordonnance établissant certaines formalités afin d'identifier, établir, statuer ou autrement résoudre les réclamations contre Laura (l'« **Ordonnance relative au traitement des Réclamations** »), dont un exemplaire est disponible sur le site web du Contrôleur au <http://www.kpmg.ca/laura-fr>. L'Ordonnance relative au traitement des Réclamations et l'Ordonnance de procédure d'assemblée contiennent des informations importantes sur la procédure de vote.

Le Plan est joint à l'Avis de convocation d'une Assemblée des Créanciers du Laura daté du • 2015, dont vous avez reçu copie.

Veuillez lire le Plan, l'Ordonnance de procédure d'assemblée et l'Ordonnance relative au traitement des Réclamations ainsi que les instructions jointes au Formulaire de procuration avant de soumettre un Formulaire de procuration.

Si la Cour supérieure du Québec homologue le Plan, le Plan vous liera, que vous ayez voté ou non.

Montréal, le • 2015

KPMG INC., agissant à titre de
contrôleur de Magasin Laura
(P.V.) Inc. / Laura's Shoppe (P.V.)
Inc. nommé par le tribunal

**DANS L'AFFAIRE DU PLAN DE COMPROMIS ET D'ARRANGEMENT DE
MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.**

FORMULAIRE DE PROCURATION

En cochant l'une des deux cases ci-après, le Créancier Visé (tel que désigné par le terme anglais « *Affected Creditor* » dans la version originale anglaise du Plan) soussigné révoque par les présentes toute procuration préalablement donnée et désigne comme fondé de pouvoir soit _____, soit un représentant de KPMG Inc., agissant à titre de Contrôleur (si vous souhaitez que le Contrôleur soit votre fondé de pouvoir, veuillez ne rien inscrire), avec pleins pouvoirs de substitution, afin qu'il assiste, vote ou agisse par ailleurs pour le soussigné à l'Assemblée des Créanciers et à toute reprise de celle-ci en cas d'ajournement, et qu'il exerce les droits de vote rattachés à la réclamation du soussigné. Sans que soit limitée la généralité du pouvoir conféré par les présentes, le fondé de pouvoir est tenu de voter de la façon indiquée ci-après. Le fondé de pouvoir est par ailleurs autorisé à voter à son gré et à agir par ailleurs pour le compte du soussigné à l'égard de toute modification du Plan et de toute question pouvant être soumise à l'Assemblée des Créanciers ou à toute reprise de celle-ci en cas d'ajournement et à exercer les droits de vote rattachés à ou ses réclamation(s), de la façon indiquée ci-après (ne cochez qu'une seule case) :

Vote **POUR** l'approbation du Plan Vote **CONTRE** l'approbation du Plan

Veillez noter qu'en l'absence d'indication le Créancier Visé sera réputé avoir voté POUR l'approbation du Plan.

Fait en ce _____ jour de _____ 2015.

Inscrire le nom du Créancier Visé en caractères d'imprimerie

Signature du Créancier Visé ou, s'il s'agit d'une société par actions, d'une société de personne ou d'une fiducie, de son signataire autorisé

Fonctions du signataire autorisé de la société par actions, de la société de personnes ou de la fiducie, selon le cas

Adresse courriel du Créancier Visé

Numéro de téléphone du Créancier Visé ou du signataire autorisé

Adresse postale du Créancier Visé

INSTRUCTIONS POUR REMPLIR LE FORMULAIRE DE PROCURATION

1. Veuillez lire et suivre les instructions suivantes attentivement.
2. Veuillez soumettre votre Formulaire de procuration dans les plus brefs délais. Vous pouvez utiliser l'enveloppe de retour pré-adressée jointe au Formulaire de procuration. **L'ORIGINAL DE VOTRE FORMULAIRE DE PROCURATION DOIT RÉELLEMENT ÊTRE REÇU PAR LE CONTRÔLEUR À L'ADRESSE SUIVANTE, OU PAR COURRIEL OU TÉLÉCOPIEUR, AU PLUS TARD À 17H00, HEURE NORMALE DE L'EST, À LA DATE LIMITE POUR VOTER (LE • 2015) OU LE JOUR OUVRABLE PRÉCÉDANT IMMÉDIATEMENT LA DATE À LAQUELLE L'ASSEMBLÉE DES CRÉANCIERS EST ÉVENTUELLEMENT AJOURNÉE, REPORTÉE OU REMISE:**

KPMG INC.
CONTRÔLEUR DE MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE (P.V.) INC.
600, boul. de Maisonneuve Ouest
Bureau 1500
Montréal, Québec
Canada H3A 0A3
Attention : Assemblée des Créanciers de Magasin Laura
Télécopieur : 514-840-2121
Courriel : claimslaura@kpmg.ca

Votre Formulaire de procuration peut également être remis au président de l'Assemblée des Créanciers avant l'ouverture de cette dernière ou de sa reprise en cas d'ajournement, de report ou de remise.

3. Chaque Créancier Visé habilité à voter à l'Assemblée des Créanciers a le droit de nommer une personne (qui n'a pas à être un Créancier Visé) à titre de fondé de pouvoir, pour assister, agir et voter en son nom.
4. Pour vous faire représenter par fondé de pouvoir à l'Assemblée des Créanciers et pour voter par procuration pour accepter ou rejeter le Plan, au lieu d'y assister en personne, veuillez procéder comme suit :
 - a. inscrivez le nom de votre fondé de pouvoir à l'emplacement prévu au Formulaire de procuration ou, si vous souhaitez qu'un représentant du Contrôleur soit votre fondé de pouvoir, n'y inscrivez rien (si l'emplacement prévu est laissé vide, le Créancier Visé sera réputé avoir nommé un dirigeant de KPMG Inc., agissant à titre de Contrôleur, ou toute autre personne nommée par KPMG Inc. à titre de fondé de pouvoir du Créancier Visé, avec pleins pouvoirs de substitution, afin d'assister, voter ou agir par ailleurs pour le Créancier Visé à l'Assemblée des Créanciers tenu en lien avec le Plan et à tout ajournement, tout report ou toute remise de celle-ci);
 - b. cochez la case voulue pour indiquer votre vote (NOTE : Si vous ne cochez aucune des cases, vous serez réputé avoir voté POUR l'approbation du Plan);
 - c. signez le Formulaire de procuration — Le Formulaire de procuration doit porter votre signature originale pour que soit assurée votre représentation par fondé de pouvoir et voter à l'Assemblée des Créanciers;

- d. si vous remplissez le Formulaire de procuration à titre de représentant dûment autorisé d'une société ou d'une autre entité, indiquez votre lien avec elle et à quel titre vous signez et, si l'on vous le demande ultérieurement, fournissez une preuve de votre pouvoir de signature. Veuillez également fournir votre nom et votre adresse postale; et
 - e. faites parvenir votre Formulaire de procuration rempli au Contrôleur dans le délai prévu ci-dessus.
5. Si plusieurs Formulaires de procuration sont reçus de la même personne en lien avec les mêmes réclamations avant la Date limite pour voter, le Formulaire de procuration qui porte la date la plus récente, valablement signée et reçue à temps, a préséance sur les autres Formulaires de procuration reçus antérieurement qu'il a pour effet de révoquer. Les Formulaires de procuration par ailleurs valides qui portent la même date mais qui exercent de manière contradictoire les mêmes droits de vote rattachés aux mêmes Réclamations Votantes (tel que désigné par le terme anglais « *Voting Claims* » dans la version originale anglaise du Plan) ne seront pas pris en compte. Le Formulaire de procuration qui ne porte pas de date dans l'espace prévu à cette fin sera réputé porter la date à laquelle le Contrôleur l'a reçu.
 6. Si un Créancier Visé assiste à l'Assemblée des Créanciers et vote en personne, ce vote remplacera et révoquera tout Formulaire de procuration préalablement reçu.
 7. Les Formulaires de procurations illisibles ou qui contiennent des renseignements insuffisants pour permettre d'identifier le réclamant ne seront pas pris en compte.
 8. Les Formulaires de procuration qui prétendent n'accepter ou rejeter que partiellement le Plan ne seront pas pris en compte.
 9. Après la Date limite pour voter, un Formulaire de procuration ne peut plus être retiré ou modifié sans le consentement préalable du requérant, sauf par dépôt d'un autre Formulaire de procuration auprès du président de l'Assemblée des Créanciers ou par vote en personne d'un créancier à l'Assemblée des Créanciers.

SI VOUS AVEZ DES QUESTIONS CONCERNANT LE PRÉSENT FORMULAIRE DE PROCURATION OU LES FORMALITÉS DE VOTE, OU SI VOUS AVEZ BESOIN DE FORMULAIRES DE PROCURATION ADDITIONNELS OU DE COPIES SUPPLÉMENTAIRES DES DOCUMENTS CI-JOINTS, VEUILLEZ COMMUNIQUER AVEC LE CONTRÔLEUR AU 1-855-940-2565, OU VOUS RENDRE SUR LE SITE WEB DU CONTRÔLEUR AU <http://www.kpmg.ca/laura-fr>.

Aucune commission ou autre rémunération ne sera payable à un courtier, à un intermédiaire ou à quiconque d'autre qui sollicite des votes relatifs au Plan. Le présent Formulaire de procuration n'est pas une lettre d'envoi et ne peut servir uniquement à nommer un fondé de pouvoir et à voter pour l'acceptation ou le rejet du Plan.

No: 500-11-049256-155

SUPERIOR COURT (COMMERCIAL DIVISION)
(SITTING AS A COURT DESIGNATED PURSUANT TO THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. C-36,
AS AMENDED)
DISTRICT OF MONTRÉAL
PROVINCE OF QUÉBEC

IN THE MATTER OF THE PLAN OF COMPROMISE
OR ARRANGEMENT OF:

MAGASIN LAURA (P.V.) INC. / LAURA'S SHOPPE
(P.V.) INC.

Debtor / Petitioner

-and-

KPMG INC.

Monitor

MOTION FOR AN ORDER FOR THE FILING OF THE
PLAN OF COMPROMISE AND ARRANGEMENT AND
THE CALLING OF A CREDITORS' MEETING,
AFFIDAVIT, NOTICE OF PRESENTATION, EXHIBITS

COPY

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