

No. S1813437  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF THE LIQUIDATION OF  
WEQ HOLDINGS INC.**

**PURSUANT TO SECTION 211 OF THE  
*CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED**

---

**Liquidator's Second Report to Court**

---

**December 7, 2020**

**IN THE MATTER OF THE LIQUIDATION OF  
WEQ HOLDINGS INC.  
PURSUANT TO SECTION 211 OF THE  
CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985, c. C-44, AS AMENDED**

**Liquidator's Second Report to Court**

**TABLE OF CONTENTS**

<b>Contents</b>	<b>Page</b>
I. INTRODUCTION .....	1
II. PURPOSE OF REPORT.....	2
III. UPDATE ON LIQUIDATION PROCEEDINGS .....	3
IV. SUMMARY OF LIQUIDATOR'S ACTIVITIES AND WORK TO DATE .....	4
V. REMAINING WORK IN THE LIQUIDATION PROCEEDINGS .....	12
VI. ESTIMATED FINAL DISTRIBUTION TO SHAREHOLDERS .....	12
VII. APPROVAL OF FINAL ACCOUNTS AND DISTRIBUTION.....	14
VIII. PROFESSIONAL FEES.....	14
IX. CONCLUSION AND RECOMMENDATIONS.....	17

**APPENDICES**

**Appendix**

- A. Liquidation Order dated December 17, 2018
- B. Claims Procedure Order dated December 17, 2018
- C. Liquidator's Interim Statement of Receipts and Disbursements for the Period December 17, 2018 to November 30, 2020
- D. Summary of the Liquidator's Invoices for the Period June 18, 2018 to November 30, 2020
- E. Summary of Lawson Lundell LLP's Invoices for the Period October 4, 2018 to July 10, 2020
- F. Summary of Farris LLP's Invoices for the Period December 13, 2018 to November 30, 2020

## I. INTRODUCTION

### Background

1. WEQ Holdings Inc., formerly WesternOne Inc. (the “Company” or “WEQ”) was a leading provider of construction heat services and aerial equipment rentals with 13 locations in Alberta, British Columbia and Manitoba. The Company had annual consolidated revenues of \$79.6 million in 2017 and \$68.9 million in 2016 with its shares and debentures publicly traded on the Toronto Stock Exchange (“TSX”).
2. The Company had two principal businesses:
  - i. Heat services and aerial equipment rental business that operated under WesternOne Infrastructure Services. The corporate entities operating this business were (i) WEQ Holdings LP, (ii) WEQ Holdings GP Inc. and (iii) associated subsidiaries (collectively “WIS”); and,
  - ii. Modular building construction and rentals business that operated under Britco. The corporate entities operating this business were (i) Pacific Coast Modular Construction LP, (ii) Pacific Coast Modular Construction GP Inc. and (iii) associated subsidiaries (collectively “Britco”).
3. In late 2014 and early 2015, the Company faced numerous financial challenges.
4. During the fall of 2016, the Company commenced a process to sell the operating entities and/or assets of the Company.
5. In the spring of 2017, the Company sold the operating business and related assets of Britco.
6. On October 22, 2018, the Company entered into an Asset Purchase Agreement (the “APA”) with United Rentals of Canada Inc. (the “Purchaser” or “URI”) for the operations and substantially all of the assets of WIS. The APA had a cash purchase price of \$120 million (“Purchase Price”) and a holdback of \$13 million (“Holdback”) for post-closing adjustments to the Purchase Price.
7. At a special meeting of shareholders on November 28, 2018, the shareholders passed a special resolution approving:
  - i. The APA;

- ii. The voluntary liquidation and dissolution of WEQ; and,
  - iii. The plan of liquidation and dissolution ("Liquidation Plan").
8. The APA closed on November 30, 2018 and the shares and debentures of the Company were delisted from the TSX on December 12, 2018 pursuant to the Liquidation Plan.
  9. The Supreme Court of British Columbia granted an Order ("Liquidation Order") appointing The Bowra Group Inc. as liquidator of WEQ (the "Liquidator") and a Claims Procedure Order ("Claims Procedure Order") on December 17, 2018.
  10. A copy of the Liquidation Order (which contains a copy of the Liquidation Plan) is attached as **Appendix A**.
  11. A copy of the Claims Procedure Order is attached as **Appendix B**.
  12. This report is the second report of the Liquidator and should be read in conjunction with the Liquidator's first report to Court dated December 16, 2019.

## **II. PURPOSE OF REPORT**

13. The purpose of this report is to:
  - i. Provide the Court with an update of the Company's liquidation proceedings since the Liquidator's first report to Court dated December 16, 2019;
  - ii. Outline remaining work in the liquidation proceedings;
  - iii. Request the summary approval of the Liquidator's activities and fees incurred to date, plus additional fees disbursements and taxes to a maximum of \$75,000 to complete the liquidation;
  - iv. Request the summary approval of the Liquidator's legal counsel and Company's legal counsels' fees incurred to date, plus additional fees disbursements and taxes to a maximum of \$75,000 to complete the liquidation; and
  - v. Request that the Court grant the following:

- Extension of the time for making a final distribution to shareholders pursuant to CBCA s. 223(2)(b) until remaining work in the liquidation proceedings can be completed;
  - Approval of this report and the Liquidator's conduct and activities to date;
  - Approval of the Liquidator completing the remaining work as set out in this report and making a final distribution to shareholders; and
  - The discharge of the Liquidator upon completion of the remaining work in the liquidation proceedings and the Liquidator filing a completion certificate with the Court.
14. This report has been prepared by The Bowra Group Inc. in its capacity as Liquidator.

### **III. UPDATE ON LIQUIDATION PROCEEDINGS**

15. In its first report to Court dated December 16, 2019, the Liquidator identified certain issues that required a resolution, in addition to the ordinary and standard administrative tasks, before the Liquidator could calculate and make a final distribution, if any, and finalize the administration of these liquidation proceedings.
16. The additional issues to be resolved and identified in the Liquidator's first report to Court were as follows:
- i. Resolution of minor issues relating to the pre-liquidation payables with the Purchaser which were the subject of post APA closing adjustments;
  - ii. Determination of any further potential recoverable assets that may be received from WEQ's subsidiaries;
  - iii. The filing of final tax returns for remaining WEQ's remaining subsidiaries;
  - iv. Resolution of other outstanding tax matters in WEQ's subsidiaries including PST audits in BC and Manitoba, and a Canada Border Services Agency assessment;
  - v. The winding up and dissolution of WEQ's remaining subsidiaries; and,

- vi. The filing of the final tax return of WEQ, which could only occur after the filing of the final tax returns for WEQ's remaining subsidiaries, and obtaining a clearance certificate under the *Income Tax Act*.
17. The remaining items which remain to be resolved by the Liquidator are:
- i. Finalization of liquidation expenses and the calculation and payment of a final distribution to shareholders;
  - ii. Filing of final tax return for WEQ;
  - iii. Request for clearance certificate from the Canada Revenue Agency ("CRA"); and
  - iv. The wind up and dissolution of WEQ.
18. To the extent that matters are outstanding there is little expected work that the Liquidator will have to do to bring them to completion. Accordingly, the Liquidator believes it can now be discharged subject to:
- i. Liquidation costs being approved so that the final distribution can be calculated and paid and the Company wound up and dissolved pursuant to the provisions of the *Canada Business Corporations Act*; and
  - ii. Outstanding matters being concluded and a certificate of completion then being filed with the Court.

#### **IV. SUMMARY OF LIQUIDATOR'S ACTIVITIES AND WORK TO DATE**

19. The Liquidator has administered the liquidation over a period of approximately two years pursuant to the Liquidation Plan.
20. A summary of the main categories of the Liquidator's work during this period is as follows:
- i. General Administration of the Liquidation;
  - ii. Administration of the Claims Procedure;
  - iii. Completion of Transaction with URI including dealing with the payables noted above;

- iv. Investigation of the Company's assets to determine all realizable assets have been liquidated; and
- v. Addressing tax issues;
- vi. Wind up and Dissolution of WEQ and Subsidiaries; and
- vii. Payments to Debenture Holders and Shareholders.

### **General Administration of the Liquidation**

21. The Liquidator performed the following general administrative duties over a period of approximately two years:
- Worked with and supervised nine staff members of WEQ until December 31, 2018 and two staff members until March 31, 2019 to assist the Liquidator in these proceedings;
  - Dealt with employee related matters including reviewing and approving payroll, terminating employees and reporting payroll information to CRA;
  - Liaised with staff, former management including the CEO and CFO, Company's legal counsel, Liquidator's legal counsel and the inspectors to perform its obligations pursuant to the Liquidation Plan;
  - Paid or otherwise dealt with outstanding invoices of WEQ's subsidiaries not dealt with by the Company at the date the Liquidator was appointed;
  - Oversaw and settled lease agreements not terminated by the Company at the date the Liquidator was appointed;
  - Maintained a general ledger of all receipts and disbursements and prepared internal financial statements for tax returns;
  - Prepared and updated a schedule of estimated funds available for distribution to shareholders;

- Held numerous communications with creditors and shareholders with respect to the status of the liquidation proceedings and distribution;
  - Reviewed and commented on numerous press releases with respect to the liquidation proceedings and distributions;
  - Dealt with any tax matters of WEQ and its subsidiaries including a fuel tax audit, BC PST audit, Manitoba PST audit, CBSA audit, GST audit and payroll audit;
  - Maintained and updated the Liquidator's website; and,
  - Prepared reports to Court.
22. The Liquidator has performed the above administrative duties over a period of approximately two years and will continue to do so until its discharge.

#### **Administration of the Claims Procedure**

23. The Liquidator liaised with its legal counsel and Company's legal counsel to administer the claims in accordance with the Claims Procedure Order during the period December 17, 2018 to February 15, 2019. There were 17 claims filed.
24. The claims filed were either disallowed, approved and paid, or otherwise settled pursuant to the Claims Procedure Order.
25. The claims bar date was February 15, 2019 and there are no material issues with claims outstanding.

#### **Completion of Sale of WIS to URI**

26. The Liquidator worked with the Company, Company's legal counsel and WEQ staff during the period December 17, 2018 to July 16, 2019 for a period of seven months to finalize the settlement of the transaction with URI.
27. The Liquidator reviewed various closing documents and liaised with URI to finalize the transaction. The settlement of the transaction among other issues required:

- i. Post Closing Banking Settlement (the “Banking Settlement”). The Banking Settlement was calculated and agreed on February 26, 2019 resulting in a net payment to URI of \$1.9 million for collection of accounts receivable by the Liquidator on behalf of URI; and
  - ii. Post Closing Adjustment with URI to determine the amount of the Holdback. An Acknowledgement and Settlement Agreement was signed by URI and the Liquidator on July 16, 2019 (the “Acknowledgment and Settlement Agreement”) resulting in a payment to WEQ of \$14.8 million which consisted of the Holdback of \$13 million plus an additional recovery of \$1.8 million for Post Closing Adjustments.
28. The settlement of the transaction with URI was finalized on July 16, 2019.
29. Under the terms of that settlement it was necessary for the Company to resolve and pay outstanding disputed payables, estimated to be less than \$50,000.
30. The Liquidator held discussions with the Purchaser and these prior vendors in order to resolve the amounts owing, made payments as agreed to, and ultimately resolved all outstanding payables.
31. There are no remaining issues relating to the APA or pre-liquidation payables.

**Determination of any further potential recoverable assets that may be received from WEQ’s subsidiaries**

32. The Liquidator further reviewed records available and held discussions with the Company and its counsel to determine if there are any other recoverable assets of the Company. Included in these investigations were certain court, lien and other legal searches in the various jurisdictions in which the Company and its non-bankrupt subsidiaries operated, to determine if there was any outstanding litigation which was ongoing or remaining liens or other charges. Upon reviewing the results of such searches, the Liquidator and the Company reviewed the files and made inquiries to determine the status of such items. The Liquidator determined that none of the items identified in such searches warranted or required further action on the part of WEQ or its non-bankrupt subsidiaries.
33. The Liquidator, following such review and the voluntary assignment into bankruptcy of certain of the Company’s subsidiaries (discussed further below), determined that there are

no further recoverable assets in any of the Company's subsidiaries that have any realizable value.

### **The filing of final tax returns for WEQ's remaining subsidiaries**

34. The Liquidator has worked with Company's accountant to file final tax returns and obtain clearance certificates from the CRA. All required final tax returns have been filed for WEQ's subsidiaries, as detailed further below.
35. The status of the tax returns for WEQ's subsidiaries is as follows:
  - i. WEQ Holdings GP Inc. – Final tax return was filed and the CRA subsequently issued a final clearance certificate on September 21, 2020.
  - ii. WEQ Holdings LP – Final tax return was filed and the CRA subsequently issued a final clearance certificate on August 27, 2020.
  - iii. Pacific Coast Modular Construction LP and Pacific Coast Modular Construction GP Inc., respectively, are bankrupt. The Liquidator worked with the Company's accountant to file the required pre-bankruptcy tax returns. All tax matters relating to Pacific Coast Modular Construction LP and Pacific Coast Modular Construction GP Inc. form part of their respective bankruptcy proceedings and no further tax filings are required.
  - iv. Pacific Coast Modular Construction International Inc., a wholly owned subsidiary of Pacific Coast Modular Construction LP had been inactive for a number of years with no business activities at the time of the liquidation. The parent entity, Pacific Coast Modular Construction LP is bankrupt. Nil tax returns were filed for the fiscal year prior to the bankruptcy of the parent entity and no further tax returns are required for the purposes of the liquidation proceedings.
  - v. 8323364 Canada Inc. had been inactive for a number of years with no business activities prior to the liquidation. All tax returns were filed up to the date of the dissolution of the entity. No further tax filings are required.

36. All work relating to filing of final tax returns of WEQ's subsidiaries required for the liquidation proceedings of WEQ is complete. All clearance certificates relating to the final tax filings of WEQ's subsidiaries, where applicable, have been issued by the CRA.

**Resolution of other outstanding tax matters in WEQ's subsidiaries including PST audits in BC and Manitoba, and a Canada Border Services Agency assessment**

37. As a result of routine audits by the respective tax authorities of each of British Columbia and Manitoba of certain of the Company's subsidiaries' provincial sales tax accounts, certain amounts were assessed by such tax authorities to be payable.
38. Certain of the assessed amounts have been settled and paid by the Liquidator except some of the amounts assessed against Pacific Coast Modular Construction LP or Pacific Coast Modular Construction GP Inc., which are both bankrupt. Therefore, such debts were compromised by the bankruptcy proceedings.
39. In addition, Canada Border Services Agency ("CBSA") performed an assessment of amounts owing by the Company's subsidiaries in respect of the reclassification of the import duty category for equipment and machinery previously imported resulting in higher duties being due. The Liquidator communicated with the Company regarding the validity of the reclassification and the CBSA came to an agreement and the amount was paid in full.
40. To the best of the Liquidator's knowledge, all outstanding tax matters have been resolved and tax debts paid.

**The wind up and dissolution of remaining WEQ's subsidiaries**

41. The Liquidator has continued to work with the Company and its counsel to wind up and dissolve WEQ's remaining subsidiaries. All subsidiaries have been either wound up and dissolved or are subject to bankruptcy proceedings or are expected to be dissolved by operation of statute in the ordinary course.

42. The status of the windup and dissolution of WEQ's subsidiaries are as follows:
- i. WEQ Holdings LP – WEQ Holdings LP was dissolved on June 26, 2020. No further action is required by the Liquidator with respect to this entity.
  - ii. WEQ Holdings GP Inc. – WEQ Holdings GP Inc. was dissolved on June 29, 2020. No further action is required by the Liquidator with respect to this entity.
  - iii. Pacific Coast Modular Construction LP – Pacific Coast Modular Construction LP made a voluntary assignment in bankruptcy on May 31, 2019 with Grant Thornton Limited (“Grant Thornton”) appointed as Licensed Insolvency Trustee of the bankrupt estate. Grant Thornton has completed the administration of the estate and is in the process of being discharged as trustee of the bankrupt estate. Grant Thornton anticipates being discharged as trustee of the bankrupt estate of Pacific Coast Modular Construction LP in January 2021. All assets and liabilities of Pacific Coast Modular Construction LP form part of the bankruptcy proceedings. No further action is required by the Liquidator with respect to this entity.
  - iv. Pacific Coast Modular Construction International Inc. – Pacific Coast Modular Construction International Inc. is a wholly owned subsidiary of Pacific Coast Modular Construction LP. Pacific Coast Modular Construction International Inc. had been inactive for a number of years with no business activities at the time of the liquidation. The parent entity, Pacific Coast Modular Construction LP, is subject to bankruptcy proceedings as noted above. The dissolution and wind up of Pacific Coast Modular Construction International Inc. is not required for the liquidation and Pacific Coast Modular Construction International Inc. can presently be dissolved by the Director under the *Canada Business Corporations Act* for failure to make its annual filings and this is expected to occur shortly after November 26, 2021. No further action is required by the Liquidator with respect to this entity.
  - v. Pacific Coast Modular Construction GP Inc. – Pacific Coast Modular Construction GP Inc. made a voluntary assignment in bankruptcy on May 31, 2019 with Grant Thornton Limited appointed as Licensed Insolvency Trustee of the bankrupt estate. Grant Thornton was discharged as trustee of the bankrupt estate on November 16, 2020 and the administration of the bankrupt estate is complete. No further action is required by the Liquidator with respect to this entity.

- vi. 8323364 Canada Inc. – 8323364 Canada Inc. was dissolved on March 18, 2019. No further action is required by the Liquidator with respect to this entity.
43. All work relating to the wind up of WEQ’s remaining subsidiaries that is required by the Liquidator is complete.
44. The remaining issue is the conclusion of the bankruptcy proceedings of Pacific Coast Modular Construction LP such that Grant Thornton may be discharged as the trustee of the bankrupt estate, which is in progress and currently expected to occur in January 2021. However, the Liquidator’s remaining involvement with that is expected to be nominal.

### **Tax Filing>Returns of the Company**

45. The Liquidator worked with the Company’s accountant to file a tax return for WEQ for the fiscal year ended December 31, 2019 and requested and obtained a partial clearance certificate from CRA.
46. The Liquidator will request a final clearance certificate once the final distribution is calculated and paid and the final tax return is filed.

### **Payments to Debenture Holders and Shareholders**

47. The Liquidator worked with the Company’s legal counsel and the transfer agent to calculate and pay a total of \$92.7 million to debenture holders and shareholders consisting of:
- Payment to debenture holders for full and final settlement of \$53.8 million on January 7, 2019;
  - Interim distribution to shareholders of \$32.8 million or \$2.00 per share on July 26, 2019;
  - Interim distribution to shareholders of \$3.3 million or \$0.20 per share on September 30, 2020; and,
  - Interim distributions to restricted share unit holders a total of \$2.8 million or \$2.20 per share paid concurrently with the interim distribution to shareholders.

48. The Liquidator will work with the Company's legal counsel and the transfer agent to calculate and pay a final distribution, as further detailed below.

## **V. REMAINING WORK IN THE LIQUIDATION PROCEEDINGS**

49. The Liquidation is largely complete, except for the following issues:
- i. Discharge of trustee in the bankruptcy proceedings of Pacific Coast Modular Construction LP – The trustee in the bankruptcy proceedings of Pacific Coast Modular Construction LP has not been discharged. The trustee is in process of applying for their discharge which is estimated to be in January 2021. Upon discharge of the trustee and completion of administration of the bankruptcy of Pacific Coast Modular Construction LP, the wind up and dissolution of WEQ's subsidiaries will be complete.
  - ii. Calculation and payment of final distribution to shareholders – The Liquidator is required to finalize remaining liquidation expenses and calculate and pay the final distribution to shareholders.
  - iii. Filing of final tax return for WEQ – The Liquidator is required to finalize its accounting and prepare the final tax return for WEQ.
  - iv. Request final clearance certificate from CRA – Upon submission of the final tax return the Liquidator is required to request the final clearance certificate from the CRA.
  - v. Wind up and dissolution of WEQ – The Liquidator is required to wind up and dissolve WEQ.
50. Remaining work in the Liquidation consists of work required by the Liquidator, its legal counsel, and the Company's legal counsel to complete the above and any work incidental thereto. Upon receipt of the final clearance certificate and dissolution of the Company the liquidation is complete.

## **VI. ESTIMATED FINAL DISTRIBUTION TO SHAREHOLDERS**

51. The Liquidator currently holds \$2.39 million in its trust accounts.

52. Attached as **Appendix C** is the Liquidator's interim statement of receipts and disbursements for the period December 17, 2018 to November 30, 2020 which is summarized in the table below:

	<b>\$000's</b>
<b>Receipts</b>	
Cash transferred from WEQ's bank account	85,534
Holdback received from URI	14,899
Other income	1,017
	<u><b>101,450</b></u>
<b>Disbursements</b>	
Payment to debenture holders	53,849
Interim distribution to shareholders	36,084
Payment of Restricted Share Units (RSU's)	2,841
Post-closing banking adjustment to URI	1,945
Operating and other expenses	1,640
Preliquidation expenses	623
Lease surrender payments	616
Liquidator's fees and disbursements	535
Liquidator's legal fees and disbursements	503
Other professional fees including accounting and tax	325
Claims paid	101
	<u><b>99,062</b></u>
<b>Balance in the Liquidator's account on November 30, 2020</b>	<u><b>2,388</b></u>

53. The Liquidator estimates a final distribution to shareholders of between \$0.10 to \$0.12 per common share after payment of remaining liquidation expenses.
54. The total distribution to shareholders is estimated to be between \$2.30 and \$2.32 per common share at the conclusion of the liquidation proceedings.
55. Such a distribution is consistent with pre-liquidation expectations. Specifically, management of the Company had provided an estimate of a total distribution of \$2.20 and \$2.43 per common share in the information circular submitted to the shareholders dated October 26, 2018.
56. To the best of the Liquidator's knowledge, there are no outstanding issues that would affect the final distribution to shareholders. However, until the liquidation proceedings are complete the final distribution may change as there may be unknown issues that arise that materially impact the final distribution to shareholders.

57. The Order being sought contemplates that the Liquidator may seek directions from the court and such further orders as may be necessary, which would include approval of any distribution that is materially different from that set out above, or as estimated in the reporting to shareholders.

## VII. APPROVAL OF FINAL ACCOUNTS AND DISTRIBUTION

58. The timing of the completion of the remaining work is subject to the discharge of the trustee in the bankruptcy proceedings of Pacific Coast Modular Construction LP and obtaining a clearance certificate from the CRA which are outside of the control of the Liquidator. The Liquidator estimates the remaining work will be complete by June 30, 2021.

59. The Liquidator is therefore requesting an approval of final accounts including a provision for additional professional and legal fees and an extension for making a final distribution to shareholders pursuant to CBCA s. 223(2)(b) until remaining work can be completed and the discharge of the Liquidator upon completion of the remaining work.

60. A summary of the details of the Liquidator's and legal counsels' accounts follows in support of approval of the final accounts.

## VIII. PROFESSIONAL FEES

### Summary of Liquidator's Accounts

61. The Liquidator's fees for the period June 18, 2018 to November 30, 2020 are as follows:

	\$
Fees	517,878
Disbursements	16,711
GST	24,533
<b>Total</b>	<b><u>559,121</u></b>

62. A summary of the Liquidator's invoices is attached as **Appendix D**.

### **Liquidator's Staffing and Hours**

63. During the proceeding Mario Mainella, Licensed Insolvency Trustee and President of The Bowra Group Inc. had primary responsibility for the work carried out by the Liquidator. Where appropriate this work was delegated to other staff within The Bowra Group Inc.
64. A summary of the time spent on this assignment by members of the staff within The Bowra Group Inc. for the period is included in **Appendix D**.
65. In the Liquidator's opinion, the time and disbursements incurred by the Liquidator in the course of its duties are fair and reasonable in a liquidation proceeding of the nature described herein. In the Liquidator's opinion, the cost of this liquidation is comparable to liquidation assignments of similar scale and complexity.
66. The hourly rates charged by the Liquidator are consistent with the average hourly rates billed by the Liquidator on its other engagements and, to the Liquidator's knowledge, consistent with other insolvency firms of comparable size engaged on similar liquidation matters.
67. The Liquidator requests that the Court summarily approve the Liquidator's fees incurred to date and approve additional fees, disbursements and taxes to a maximum of \$75,000 to complete the administration of the liquidation. The estimated fees relate to work required to prepare for the final distribution, wind up and dissolution of WEQ, discharge of the Liquidator, and other unbilled work in process.

### **Legal Fees**

68. The Liquidator engaged Lawson Lundell LLP ("Lawson") as its independent legal counsel. The total legal fees of Lawson were \$26,474 and disbursements were \$407 as summarized in the table below:

	\$
Fees	26,474
Disbursements	407
GST	1,340
PST	1,853
<b>Total</b>	<b><u>30,074</u></b>

69. A breakdown of Lawson’s legal fees by invoice is attached as **Appendix E**.

70. The Company engaged Farris LLP (“Farris”) as its legal counsel. The total legal fees of Farris were \$445,250 and disbursements were \$31,321 as summarized in the table below:

	\$
Fees	445,250
Disbursements	31,321
GST	23,194
PST	31,562
<b>Total</b>	<b><u>531,326</u></b>

71. A breakdown of Farris’ legal fees by invoice is attached as **Appendix F**.

72. The Liquidator has reviewed the invoices rendered by Lawson and Farris and believes them to be reasonable and proper. The legal services provided were necessary for the Liquidator to fulfill its obligations under the CBCA and the tasks undertaken were done at the request and with the consent of the Liquidator. The legal services provided to WEQ by Farris were reasonable and proper.

73. The Liquidator requests that the Court summarily approve the legal fees incurred to date and approve additional fees, disbursements and taxes to a maximum of \$75,000 to complete the administration of the liquidation. The estimated fees relate to work required to prepare for the final distribution, wind up and dissolution of WEQ, discharge of the Liquidator, and other unbilled work in process.

## IX. CONCLUSION AND RECOMMENDATIONS

### Conclusion

74. To date in these liquidation proceedings the Liquidator has:
- Made a payment for full and final settlement of outstanding debentures;
  - Administered and completed the claims process as per the Claims Procedure Order;
  - Completed the post-closing process for the WIS sale transaction with URI;
  - Made interim distributions of \$2.20 per share to WEQ shareholders to date;
  - Completed the wind up and dissolution of WEQ's subsidiaries including filing of final tax returns and receipt of clearance certificates where required; and
  - Progressed in the wind up and dissolution of WEQ including filing an interim final tax return and receipt of an interim clearance certificate.
75. The remaining items to be resolved by the Liquidator are:
- i. Finalization of liquidation expenses and the calculation and payment of a final distribution to shareholders;
  - ii. Filing of final tax return for WEQ;
  - iii. Request for clearance certificate from the CRA; and,
  - iv. The wind up and dissolution of WEQ.
76. The Liquidator is of the opinion there is little work to resolve the issues and complete the Liquidation. Accordingly, the Liquidator believes it can now be discharged subject to:
- i. Liquidation costs being approved so that the final distribution can be calculated and paid and the Company wound up and dissolved pursuant to the provisions of the *Canada Business Corporations Act*; and
  - ii. Outstanding matters being concluded, and a certificate of completion then being filed with the Court.

77. The purpose of this report is to outline the work completed by the Liquidator on the issues identified as outstanding in the Liquidator's first report to Court, to confirm that a discharge order can be granted subject to a certificate of completion, and to pass the liquidation accounts.

### **Recommendation**

78. The Liquidator respectfully requests that the Court issue an Order to:

- Extend the time for making a final distribution to shareholders pursuant to CBCA s. 223(2)(b) until remaining work in the liquidation proceedings can be completed;
- Approve this report and the Liquidator's conduct and activities to date;
- Approve of a final distribution to shareholders;
- Approve the Liquidator completing the remaining work as set out in this report;
- Summarily approve the Liquidator, Liquidator's legal counsel and Company's legal counsel accounts including amounts to complete the liquidation; and
- The discharge of the Liquidator upon completion of the remaining work in the liquidation proceedings and the Liquidator filing a completion certificate with the Court.

79. All of which is respectfully submitted this 7<sup>th</sup> day of December, 2020.

**The Bowra Group Inc.**

In its capacity as Liquidator of WEQ Holdings Inc.

Per:

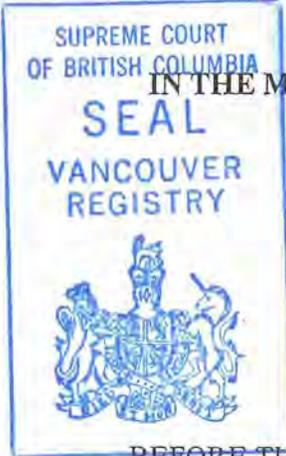
Gordon Brown, CPA, CA, CIRP, LIT

**APPENDIX A**

A copy of the Liquidation Order dated December 17, 2018



No. S1813437  
Vancouver Registry



IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 211 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

WEQ HOLDINGS INC.

PETITIONER

LIQUIDATION ORDER

BEFORE THE HONOURABLE JUSTICE )  
SAKER ) The 17<sup>th</sup> day of December, 2018  
)

ON THIS PETITION OF THE Petitioner, WEQ Holdings Inc. (“WEQ”), formerly WesternOne Inc., dated December 13, 2018, pursuant to section 211 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the “CBCA”) to have the voluntary liquidation of WEQ pursuant to the plan of liquidation and dissolution approved on November 28, 2018 at a special meeting of the shareholders and adopted by the directors of WEQ, effective December 17, 2018, and attached hereto as **Schedule “A”** (the “**Liquidation Plan**”) continued under the supervision of this Court, coming on for hearing without notice at 800 Smithe Street, Vancouver, British Columbia on December 17, 2018, and on hearing Teresa Tomchak and Tim Louman-Gardiner, counsel for the Petitioner and Kimberley A. Robertson, counsel for the Liquidator and no one else appearing and on reading the affidavit of Robert King #1 sworn December 13, 2018.

**SERVICE**

1. THIS COURT ORDERS that the time for service of the Petition is hereby abridged and validated so that this Petition is properly returnable today and hereby dispenses with further service thereof.

## LIQUIDATION PLAN

2. THIS COURT ORDERS AND DECLARES that the Liquidation Plan is hereby approved and affirmed and appoints the Bowra Group Inc. as the liquidator (the “**Liquidator**”) thereunder, without security.

3. THIS COURT ORDERS that any capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Liquidation Plan.

4. THIS COURT ORDERS that that the liquidation of WEQ shall continue under the supervision of this Court and in accordance with the terms of the Liquidation Plan and any further order of this Court.

5. THIS COURT ORDERS that, for greater certainty, the Liquidator hereby has and shall have all of the powers and authorities as provided to it under the Liquidation Plan and the CBCA and any further order of this Court. The Liquidator shall have the authority to enter into agreements and execute documents, including becoming authorized signatories on bank accounts, for and on behalf of the Corporation pursuant to the powers and obligations of the Liquidator as contained in the Liquidation Plan or otherwise under the CBCA, including the powers of the directors and shareholders shall cease, except where expressly provided to them by the Liquidator.

## NO PROCEEDINGS AGAINST THE PETITIONER OR THE PROPERTY

6. THIS COURT ORDERS that from the date of this Order until December 31, 2019 or unless this Court orders otherwise (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of WEQ or the Liquidator, or affecting any of WEQ’s current or future assets, undertakings or properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the “**Property**”), except with the written consent of the Liquidator, or with leave of this Court, and any and all Proceedings currently under way against or in respect of WEQ or affecting the Property are hereby stayed and suspended pending further order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

7. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “Persons” and each being a “Person”) against or in respect of WEQ or the Liquidator, or affecting the Property, are hereby stayed and suspended except with the written consent of the Liquidator, or leave of this Court, provided that nothing in this Order shall:

- (a) empower the Liquidator to carry on any business which WEQ is not lawfully entitled to carry on;
- (b) exempt the Liquidator from compliance with statutory or regulatory provisions relating to health, safety or the environment;
- (c) prevent the filing of any registration to preserve or re-perfect an existing security interest; or
- (d) prevent the registration of a claim for lien.

8. THIS COURT ORDERS THAT nothing in the Liquidation Plan or in this Order or any other Order of this Court shall affect the rights of the Purchaser under the Asset Purchase Agreement and related agreements, with respect to the Holdback (as defined in the Asset Purchase Agreement) and the Purchaser’s recourse thereto.

#### **NO INTERFERENCE WITH RIGHTS**

9. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sub-lease, licence or permit in favour of or held by WEQ, except with the written consent of the Liquidator, or leave of this Court.

#### **CONTINUATION OF SERVICES**

10. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with WEQ or statutory or regulatory mandates for the supply of goods and/or services, including, without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, employee benefits, transportation services, utility, leasing or other services to WEQ, are hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply

of such goods or services as may be required by the Liquidator, and that the Liquidator shall be entitled to the continued use of WEQ's current premises, telephone numbers and facsimile numbers, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Liquidator in accordance with normal payment practices of WEQ or such other practices as may be agreed upon by the supplier or service provider and the Liquidator, or as may be ordered by this Court.

#### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

11. THIS COURT ORDERS that during the Stay Period, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of WEQ with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of WEQ whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers of WEQ.

#### **THE LIQUIDATOR**

12. THIS COURT ORDERS that, in the case of information requests submitted to the Liquidator by creditors or Shareholders, if the Liquidator has been advised by WEQ or determines in its discretion that the requested information is confidential or otherwise material and non-public, the Liquidator shall not provide such information to creditors or Shareholders of WEQ unless otherwise directed by this Court or on such terms as the Liquidator may agree. The Liquidator shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph.

13. THIS COURT ORDERS that, in addition to the rights and protections afforded under the CBCA and the Liquidation Plan or as an officer of this Court, neither the Liquidator nor any Inspectors shall incur any liability or obligation as a result of their appointment or the carrying out of the provisions of this Order or the Liquidation Plan, save and except for any gross negligence or wilful misconduct on their part. Nothing in this Order shall derogate from the protections afforded the by the CBCA, the Liquidation Plan or any applicable legislation.

14. THIS COURT ORDERS that the Liquidator and its counsel and counsel for WEQ shall be paid their reasonable fees and disbursements incurred both before and after the making of this Order, in each case at their standard reasonable rates and charges, by WEQ as part of the costs of

these proceedings. The Liquidator is hereby authorized and directed to pay its accounts and the accounts of its counsel and counsel for WEQ as and when such accounts are rendered.

15. THIS COURT ORDERS that the Liquidator, its counsel, and counsel for WEQ shall pass their accounts from time to time, and for this purpose the accounts of the Liquidator, its counsel and WEQ's counsel are hereby referred to a judge of this Court.

16. THIS COURT ORDERS that the Liquidator, its counsel and counsel for WEQ shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed \$200,000 at any particular time, as security for their professional fees and disbursements incurred at the standard rates and charges of the Liquidator and counsel, both before and after the making of this Order in respect of these proceedings, provided as it applies to the Holdback, the Administration Charge shall attach only to the rights of WEQ therein and WEQ's recourse thereto under and in accordance with the provisions of the Asset Purchase Agreement. The Administration Charge shall constitute a first charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

17. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

18. THIS COURT ORDERS that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings; (b) the provisions of any federal or provincial statutes; or (c) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds WEQ, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by WEQ of any Agreement to which it is a party;
- (b) none of the chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- (c) the payments made by WEQ pursuant to this Order and the granting of the Administration Charge do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE LIQUIDATOR**

19. THIS COURT ORDERS that all Persons shall forthwith advise the Liquidator of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of WEQ, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Liquidator or permit the Liquidator to make, retain and take away copies thereof and grant to the Liquidator unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 19 or in paragraph 20 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Liquidator due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

20. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Liquidator for the purpose of allowing the Liquidator to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Liquidator in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Liquidator. Further, for the purposes of this paragraph, all Persons shall provide the Liquidator with all such assistance in

gaining immediate access to the information in the Records as the Liquidator may in its discretion require including providing the Liquidator with instructions on the use of any computer or other system and providing the Liquidator with any and all access codes, account names and account numbers that may be required to gain access to the information.

21. THIS COURT ORDERS that the Liquidator shall have liberty to apply for further directions as to the disposal of the Records upon the completion of its duties under the CBCA.

### **INSPECTORS**

22. THIS COURT ORDERS that the Liquidator shall consult with the Inspectors regarding the business and financial affairs of WEQ to the extent necessary to enable the Liquidator to adequately carry out its functions under the Liquidation Plan and any Order of this Court.

23. THIS COURT ORDERS that, notwithstanding anything to the contrary in the Liquidation Plan, the Inspectors are hereby only directed and empowered to:

- (a) provide guidance and assistance to the Liquidator to the extent necessary to enable the Liquidator to carry out its functions under the Liquidation Plan, this Order and any claims procedure approved by this Court;
- (b) be advised of, and provide input in respect of, material steps taken by the Liquidator pursuant to the Liquidation Plan, this Order and any claims procedure approved by this Court;
- (c) consult with the Liquidator in connection with the liquidation of WEQ under the Liquidation Plan and this Order;
- (d) participate in meetings convened by the Liquidator, as required by the Liquidator, to provide guidance on material developments in the liquidation of WEQ; and
- (e) perform such other duties as may be required by the Liquidator or this Court from time to time.

### **SERVICE AND NOTICE**

24. THIS COURT ORDERS that, subject to any further orders made in this proceeding, the Liquidator may serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid

ordinary mail, courier, personal delivery or electronic transmission to WEQ's known creditors of WEQ with a debt as evidenced by its books and records as of the commencement of the liquidation or other interested parties (including the Purchaser) at their respective addressees as last shown on the records of WEQ and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

25. THIS COURT ORDERS that the Liquidator may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy and the Liquidator may post a copy of any or all such materials on its website at [www.bowragroup.com](http://www.bowragroup.com).

#### **DISPENSING WITH AUDITED FINANCIAL STATEMENTS AND SHAREHOLDER MEETING**

26. THIS COURT ORDERS AND DECLARES that WEQ and the Liquidator are not required to produce or place before WEQ's Shareholders any further audited financial statements as required under subsections 155(1) and 159(1) of the CBCA or otherwise and that WEQ and the Liquidator be and are hereby exempt from the requirements of Part XIV of the CBCA regarding the appointment and duties of an auditor.

27. THIS COURT ORDERS AND DECLARES that WEQ and the Liquidator are hereby relieved of any obligation to call and hold a meeting (annual or otherwise) of WEQ's Shareholders as required under the CBCA, or otherwise, until such time as the Liquidator, in consultation with the Inspectors, determines necessary, or until further Order of this Court.

#### **GENERAL**

28. THIS COURT ORDERS that the Liquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Liquidator and its respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Liquidator, as an officer of

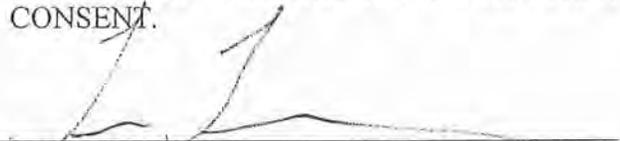
this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Liquidator in any foreign proceeding, or to assist the Liquidator and its respective agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Liquidator be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Liquidator is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that any interested party (including the Liquidator) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

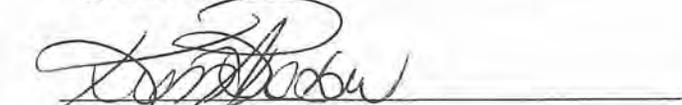
32. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01a.m. Pacific Time on the date of this Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT.



Signature  
 Party  Lawyer for the Petitioner  
**Teresa M. Tomchak**





Signature  
 Party  Lawyer for the Liquidator  
**Kimberley A. Robertson**



Certified a true copy according to the records of the Supreme Court of Vancouver, B.C.  
This 17<sup>th</sup> day of December 2018

  
Authorized Signing Officer

**JOE MANTELL**

  
By the Court  
Registrar

Schedule A - Plan of Liquidation and Dissolution

SCHEDULE "A"

PLAN OF LIQUIDATION AND DISSOLUTION

WEQ HOLDINGS INC.  
(formerly WESTERONE INC.)

---

PLAN OF LIQUIDATION AND DISSOLUTION

---

December 17, 2018

**WEQ HOLDINGS INC.  
PLAN OF LIQUIDATION AND DISSOLUTION**

WHEREAS the board of directors of WEQ Holdings Inc, (formerly WesternOne Inc.) (the “**Board**”) has concluded that it is in the best interests of WEQ Holdings Inc. (the “**Corporation**” or “**WEQ**”) to be wound up voluntarily pursuant to the *Canada Business Corporations Act* in accordance with the terms of this Liquidation Plan;

AND WHEREAS the Board passed a resolution authorizing the Corporation to seek Shareholder approval for the liquidation and dissolution of the Corporation and hold a special meeting of Shareholders to consider and vote to require the Corporation to be wound up voluntarily and, in connection therewith, approve this Liquidation Plan and such Shareholder meeting was held and Shareholder approval obtained;

NOW THEREFORE THIS Liquidation Plan is adopted by the Board as of the date set forth below, having the terms and conditions as set out herein.

**ARTICLE 1  
INTERPRETATION**

**1.1**            **Definitions**

In this Liquidation Plan:

“**Asset Purchase Agreement**” means the asset purchase agreement dated October 22, 2018, between the Corporation, WesternOne Rentals & Sales GP Inc., WesternOne Rentals & Sales LP, and United Rentals of Canada, Inc.;

“**Assets**” means all of the property, assets, undertaking and the proceeds thereof of the Corporation;

“**Board**” has the meaning given to it in the recitals of this Liquidation Plan;

“**Business Day**” means a day, other than a Saturday or Sunday, on which banks are generally open for business in Vancouver, British Columbia;

“**Calendar Day**” means any day, including a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;

“**Canadian Dollars**” or “**CDN\$**” means dollars denominated in lawful currency of Canada;

“**CBCA**” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44;

“**CBCA Director**” means the Director, as defined in and appointed under Section 260 of the CBCA;

“**Claim**” means:

- (a) any right of any Person against the Corporation in connection with any indebtedness, liability or obligation of any kind of the Corporation and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in

action, whether existing at present or commenced in the future with respect to any matter, action, cause or chose in action; and

- (b) any existing or future right of any Person against any one or more of the Directors which arose or arises as a result of such Director's position, supervision, management or involvement as a Director or otherwise in any other capacity in connection with the Corporation whether such right, or the circumstances giving rise to it, arose before or after the Effective Date and whether enforceable in any civil, administrative or criminal proceeding,

but does not include an Equity Claim;

"**Claim Bar Date**" means the date on which a claim must be filed pursuant to the Claims Process;

"**Claims Process**" means the process approved by the Court for the identification, resolution and barring of Claims;

"**Clearance Certificates**" mean:

- (a) a certificate issued by the Minister pursuant to subsection 159(2) of the *Income Tax Act*, R.S.C. 1985, c.1 (5<sup>th</sup> Supp.) as amended (the "ITA"), or any equivalent thereto, certifying that all amounts for which WEQ is, or can reasonably be expected to become liable under the ITA, up to and including the date of distribution have been paid, or that the Minister has otherwise accepted security for payment;
- (b) a certificate issued by the Minister pursuant to subsection 23(5) of the *Canada Pension Plan*, R.S.C. 1985, c. C-8 (the "CPP"), or any equivalent thereto, certifying that all amounts for which WEQ is liable under the CPP up to and including the date of distribution, have been paid or that security for the payment thereof has been accepted by the Minister;
- (c) a certificate issued by the Minister pursuant to subsection 86(3) of the *Employment Insurance Act*, S.C. 1996, c. 23 (the "EIA"), or any equivalent thereto certifying the payment, or acceptance by the Minister of security for payment of all amounts for which WEQ is liable under the EIA up to and including the date of distribution;
- (d) a certificate issued by the Minister pursuant to subsection 81(1) of the *Excise Tax Act*, R.S.C. 1985, c. 6-15 (the "ETA"), or any equivalent thereto, certifying that no tax, penalty, interest or other sum under the ETA, chargeable against or payable by the Liquidator or chargeable against or payable in respect of the Assets, remains unpaid or that security for the payment thereof has, in accordance with section 80.1 of the ETA, been accepted by the Minister; and
- (e) a certificate issued by the Minister pursuant to subsection 270(3) of the ETA, or any equivalent thereto, certifying that all amounts payable or remittable under Part IX of the ETA by WEQ in respect of the reporting period during which the distribution is made or any previous reporting period, and all amounts that are, or can reasonably be expected to become, payable or remittable under Part IX of the ETA by the Liquidator in respect of the reporting period during which the distribution is made, has been paid or that security for the payment thereof has been accepted by the Minister.

"**Corporation**" has the meaning given to it in the recitals of this Liquidation Plan;

“**Court**” means the Supreme Court of British Columbia, Vancouver Registry;

“**Creditor**” means any Person with a Claim;

“**Debentures**” means the 6.25% convertible unsecured subordinated debentures of the Corporation issued in March 2013 pursuant to the supplemental trust indenture dated March 28, 2013;

“**Directors**” means all individuals who were, on or at any time before the Effective Date, directors of the Corporation, and the term “Director” shall mean any one of them;

“**Dissolution Date**” means the date on which the Corporation is dissolved pursuant to the CBCA or by order of the Court;

“**Effective Date**” means December 17, 2018;

“**Equity Claim**” means the entitlement to a distribution of a Shareholder in respect of Shares;

“**Governmental Authority**” means any nation or government, any province, state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or any Legal Requirement and any corporation or other entity owned or controlled, through capital stock or otherwise by any of the foregoing;

“**Inspectors**” has the meaning given to it in Article 5.1;

“**Legal Requirement**” means any statute, law, treaty, rule, regulation, order, decree, writ, injunction or determination of any arbitrator, court, Governmental Authority or securities exchange and, with respect to any Person, includes all such Legal Requirements applicable or binding upon such Person, its business or the ownership or use of any of its assets;

“**Liquidation Date**” means the date on which the Shareholders pass the Resolution;

“**Liquidation Plan**” means this plan of liquidation and dissolution as it may be amended, modified, supplemented, restated or otherwise modified in accordance with its terms, or order of the Court;

“**Liquidator**” means the Person appointed from time to time pursuant to Articles 4.1, 4.5, or 4.6 in its capacity as liquidator of the Corporation;

“**Minister**” means the Minister of National Revenue;

“**Person**” means any individual, partnership, limited partnership, joint venture, trust, corporation, unincorporated organization, government, agency, regulatory body or instrumentality thereof, legal personal representative or litigation guardian, or any other judicial entity howsoever designated or constituted domiciled;

“**Proven Claim**” means a Claim finally determined or accepted in accordance with the provisions of the Claims Process;

“**Public Trustee**” means the Public Guardian and Trustee pursuant to the *Public Guardian and Trustee Act*, R.S.B.C. 1996, c. 383;

“**Purchaser**” means United Rentals of Canada, Inc.;

“**Resolution**” means the special resolution of the Shareholders authorizing the voluntary liquidation and dissolution of the Corporation made in accordance with the CBCA and approving this Liquidation Plan;

“**Shareholders**” means all holders of Shares shown from time to time in the registers maintained by or on behalf of the Corporation by the Transfer Agent in respect of the Shares and, unless otherwise specified, includes all beneficial owners of Shares;

“**Shares**” means the common shares in the capital of the Corporation;

“**Tax Return**” means any report, return or other information required to be supplied to a taxing authority in connection with (a) all taxes, charges, fees, levies and other assessments (whether federal, provincial, local or foreign), including income, gross receipts, excise, property, sales, use, transfer, license, payroll, franchise, withholding, social security and unemployment taxes, and (b) any interest, penalties and additions related to the foregoing;

“**Transfer Agent**” means Computershare Investor Services Inc., as transfer agent for the Shares of the Corporation; and

“**TSX**” means the Toronto Stock Exchange.

## 1.2 Certain Rules of Interpretation

In this Liquidation Plan:

- (a) all references to currency are to Canadian Dollars, except as otherwise expressly indicated;
- (b) the division of this Liquidation Plan into articles, sections, subsections and clauses and the insertion of headings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Liquidation Plan. The terms “this Liquidation Plan”, “hereof”, “hereunder”, “herein” and similar expressions refer to this Liquidation Plan and not to any particular article, section, subsection or clause and include any plan supplemental hereto. Unless otherwise indicated, any reference in this Liquidation Plan to an article, section, subsection, clause or schedule refers to the specified article, section, subsection, clause or schedule of or to this Liquidation Plan;
- (c) the use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Liquidation Plan to such Person (or Persons) or circumstances as the context otherwise permits;
- (d) the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes without limitation” and “including without limitation”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (e) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Vancouver, British Columbia and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m., on such Business Day. Unless otherwise specified, the time period within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day. Whenever any payment to be made or action to

be taken under this Liquidation Plan is required to be made or to be taken on a day other than a Business Day, such payment shall be made or action taken on the next succeeding Business Day;

- (f) unless otherwise specified, where any reference to an event occurring within any number of "days" appears in this Liquidation Plan, such reference means Calendar Days and not Business Days; and
- (g) unless otherwise provided, any reference to a statute, or other enactment of parliament or a legislature includes all regulations made thereunder, all enactments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

## **ARTICLE 2 PURPOSE OF THE PLAN**

### **2.1 Purpose**

The purpose of this Liquidation Plan is to provide for a plan of liquidation and distribution of the Assets, payment or settlement of all Claims and dissolution of the Corporation.

### **2.2 Commencement of Liquidation and Dissolution**

The voluntary liquidation and dissolution of the Corporation shall commence on and as of the Effective Date.

### **2.3 Affected Persons**

This Liquidation Plan will be implemented under the CBCA and, as of the Effective Date will be binding on the Corporation, the Directors, the Inspectors, the Liquidator and the Shareholders in accordance with its terms. On the Liquidation Date, each Shareholder shall be deemed to have consented and agreed to all of the provisions of this Liquidation Plan in their entirety.

## **ARTICLE 3 EFFECT OF PLAN**

### **3.1 Share Transfers**

If not already otherwise halted and/or delisted, on and as of the Effective Date, the Shares and Debentures will be halted and shall cease to trade on the TSX.

### **3.2 Corporation to Cease Business**

On and as of the Effective Date, the Corporation shall cease to carry on its undertaking, except in so far as may be required as beneficial for the liquidation and dissolution thereof in the discretion of the Liquidator, but its corporate existence and all its corporate powers, even if it is otherwise provided by its articles or by-laws, shall continue under the control of the Liquidator until its affairs are wound up.

### **3.3 Resignation of Directors**

On and as of the Effective Date, all the powers of the Directors shall cease and the Directors shall be deemed to have resigned.

## ARTICLE 4 THE LIQUIDATOR

### 4.1 Appointment of Liquidator

On and as of the Effective Date, the Bowra Group Inc. is hereby appointed as the liquidator of the estate and effects of the Corporation (the "Liquidator") for the purpose of liquidation and dissolution of its business and affairs and distributing its Assets, after satisfying all Claims, all in accordance with the terms of this Liquidation Plan, and who shall serve until removal and replacement in accordance with this Liquidation Plan. The Liquidator shall have the authority to enter into agreements and execute documents for and on behalf of the Corporation pursuant to the powers and obligations of the Liquidator as contained in this Liquidation Plan or otherwise under the CBCA.

### 4.2 Mandatory Obligations of the Liquidator

The Liquidator is expressly directed, empowered and authorized to, and shall:

- (a) deposit all money that the Liquidator has belonging to the Corporation in any bank of Canada listed in Schedule I or II to the *Bank Act* (Canada) or in any other depository approved by the Court, and as approved by the Inspectors, which deposit shall not be made in the name of the Liquidator individually, but shall be a separate deposit account in the Liquidator's name as Liquidator of the Corporation, and such money shall be withdrawn for payment of Claims or fees and expenses incurred in connection with the implementation of the Liquidation Plan and signed in accordance with such signing authorities as may be determined by the Liquidator in consultation with the Inspectors;
- (b) forthwith after the Effective Date, make an application to the Court under section 211(8) of the CBCA to have the liquidation of the Corporation supervised by the Court if the Liquidator considers such an application advisable under the circumstances then existing;
- (c) implement the Claims Process;
- (d) following the Effective Date and the delisting of the Shares and Debentures from the TSX, take all necessary steps and/or sign all such documents as necessary to ensure that all transfers of Shares and Debentures thereafter shall be void unless made with the explicit sanction of the Liquidator;
- (e) pay or otherwise satisfy all Proven Claims from the Assets in accordance with the Claims Process;
- (f) pay or otherwise satisfy the obligations relating to the Debentures in accordance with their contractual terms including terms with respect to timing of payment under the change of control offer which is payable on January 4, 2019 or the redemption notice which is payable on January 7, 2019. Such payments can be made by the Liquidator without obtaining a proof of claim under the Claims Process;
- (g) make up an account showing the manner in which the liquidation and dissolution has been conducted and the Assets disposed;
- (h) after satisfying all Proven Claims in accordance with the provisions of the CBCA and any order of the Court and payment of the expenses of the liquidation, distribute the remaining Assets rateably among the registered Shareholders according to their rights and interests in the Corporation;

- (i) cause to be filed with the appropriate Governmental Authority all Tax Returns required to be filed by WEQ; and
- (j) remit all taxes required to be remitted by WEQ in accordance with all applicable statutes, all outstanding CPP contributions and EIA premiums, including any associated interest and penalties and obtain the Clearance Certificates.

#### 4.3 Discretionary Powers of the Liquidator

The Liquidator is expressly empowered and authorized, but not obligated, to do any of the following:

- (a) make an application to the Court under Section 211(8) of the CBCA to have the liquidation of the Corporation supervised by the Court if the Liquidator considers such an application advisable under the circumstances then existing;
- (b) with the prior approval of the Inspectors, bring or defend any action, suit or prosecution, or other legal proceedings, civil or criminal, in the name and on behalf of the Corporation;
- (c) oversee and address any of the Corporation's obligations under the Asset Purchase Agreement with the Purchaser;
- (d) engage any former employee of the Corporation on a "term and task" basis to assist with the Liquidator's administration and implementation of the Liquidation Plan;
- (e) do all acts and execute, in the name and on behalf of the Corporation, all documents, and for that purpose use the seal of the Corporation, if any;
- (f) in accordance with the Claims Process or any further order of the Court and with the approval of the Inspectors, make such compromise or other arrangement as the Liquidator thinks expedient with any creditor or person claiming to be a creditor or having or alleging that he, she or it has a Claim whereby the Corporation may be rendered liable;
- (g) in accordance with the Claims Process or any further order of the Court and with the approval of the Inspectors, compromise all debts and liabilities capable of resulting in debts, and all Claims, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or supposed to subsist between the Corporation and any contributory, alleged contributory or other debtor or person who may be liable to the Corporation and all questions in any way relating to or affecting the Assets, or the liquidation and dissolution of the Corporation, upon the receipt of such sums payable at such times and generally upon such terms as are agreed, and the Liquidator may take any security for the discharge of such debts or liabilities and give a complete discharge in respect thereof;
- (h) at any time after the affairs of the Corporation have been fully wound up make an application to the Court for an order dissolving the Corporation;
- (i) retain legal counsel if, in the Liquidator's judgment, legal counsel is necessary or advisable in order to assist or advise the Liquidator in the performance of its obligations pursuant to this Liquidation Plan;
- (j) apply to Court for directions in respect of the performance of its obligations, or anything else necessary for the liquidation and dissolution of the business and affairs of the Corporation and distributing the Assets;

- (k) in accordance with the provisions of the CBCA and any order of the Court, make or cause to be made, from time to time, any interim distributions or distributions in kind of portions of the Assets to the registered Shareholders rateably among the registered Shareholders according to their rights and interests in the Corporation, as considered appropriate and approved by the Inspectors, and while maintaining such reserves as are reasonably necessary to provide for all Claims;
- (l) at any time after the Effective Date and following the delisting of the Shares and Debentures from the TSX, request the Transfer Agent to refrain from making any changes to the registers maintained by the Transfer Agent in respect of the Shares, except with the explicit sanction of the Liquidator;
- (m) apply to the relevant securities commissions to cease to be a reporting issuer; and
- (n) do and execute all such other things as are necessary for the liquidation and dissolution of the business and affairs of the Corporation and distributing the Assets.

#### **4.4 Reporting Obligations**

The Liquidator shall report to the Inspectors at such times and intervals as the Liquidator may deem appropriate with respect to matters relating to the Assets, the Corporation and such other matters as may be relevant to this Liquidation Plan.

#### **4.5 Removal of the Liquidator**

The Liquidator may be removed by order of the Court pursuant to a motion brought following either:

- (a) a resolution of the majority of the Inspectors; or
- (b) a determination by the Liquidator, in its discretion, to be discharged by the Court;

but only if such order of the Court appoints another liquidator in the Liquidator's stead which successor liquidator shall become the Liquidator under this Liquidation Plan.

#### **4.6 Resignation of the Liquidator and Filling Vacancy**

If the Liquidator resigns or is discharged by order of the Court, then a successor liquidator shall be appointed by resolution of the majority of Inspectors, or by order of the Court, and such successor liquidator shall become the Liquidator under this Liquidation Plan.

#### **4.7 Fees of the Liquidator and its counsel**

The Liquidator and its counsel, if any, shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, from the Assets as and when the Liquidator or its counsel renders an account to the Corporation and such account is approved by the Inspectors. Pursuant to Section 223(1) of the CBCA, the costs, charges and expenses of the liquidation and dissolution, including the remuneration of the Liquidator and its counsel, are payable out of the Assets in priority to all other Claims. In the event of a dispute between the Liquidator and Inspectors with respect to the Liquidator's fees and disbursements, including the fees of its counsel, the Liquidator may apply to the Court.

**4.8**            **Indemnity**

The Corporation hereby releases, holds harmless, and indemnifies the Liquidator from and against all liabilities, claims and costs of any nature arising from the Liquidator's execution of this Liquidation Plan, save and except any such liabilities, claims or costs arising as a result of the Liquidator's fraud, gross negligence or wilful misconduct.

**ARTICLE 5**  
**INSPECTORS**

**5.1**            **Appointment of Inspectors**

On and as of the Effective Date, Robert King and Jason Gray are hereby appointed as inspectors of the Corporation's liquidation pursuant to Section 217 of the CBCA (the "Inspector" or "Inspectors").

**5.2**            **Approval of Inspectors**

For any action or inaction which requires the approval of the Inspectors under this Liquidation Plan, by order of the Court or pursuant to the CBCA, such approval shall exist if a majority of the Inspectors approve of the action or inaction by vote at a meeting of Inspectors or otherwise by written resolution signed by a majority of the Inspectors.

**5.3**            **Meetings of Inspectors**

The Liquidator or any one of the Inspectors may call a meeting of Inspectors by providing all of the Inspectors with two days written notice of such meeting, which notice may be waived by the Inspectors in their discretion. Such meetings may be held by teleconference. Quorum for any meeting of Inspectors shall be a majority of the Inspectors. Each of the Inspectors shall have one vote at any such meetings. The Liquidator shall have no vote at such meetings but may chair such meetings with the approval of a majority of the Inspectors.

**5.4**            **Removal of Inspectors**

An Inspector may be removed by:

- (a) order of the Court; or
- (b) ordinary resolution of the Shareholders at a meeting called for the purpose of removing an Inspector.

**5.5**            **Filling Vacancies of Inspectors**

There shall always be at least one Inspector and not more than three Inspectors at any time. Any vacancy in the number of permissible Inspectors may be filled by election by the majority of remaining Inspectors.

**5.6**            **Remuneration of Inspectors**

The compensation paid to Inspectors shall be \$10,000 per Inspector per year, plus \$500 per Inspector per day on which meetings of Inspectors are held for attendance at such meetings in person or, if attended by conference call, \$250 per Inspector per day.

**5.7 Indemnity**

The Corporation hereby releases, holds harmless, and indemnifies the Inspectors from and against all liabilities, claims and costs of any nature arising from the Inspector's actions as an Inspector under the Liquidation Plan and pursuant to the CBCA, save and except any such liabilities, claims or costs arising as a result of the Inspector's fraud, gross negligence or wilful misconduct.

**ARTICLE 6  
DISTRIBUTIONS**

**6.1 Delivery of Distribution to Shareholders**

Unless otherwise directed, distributions to registered Shareholders shall be made by the Liquidator at the addresses set forth in the registers maintained by the Transfer Agent in respect of the Shares as at the date of any such distribution, or if applicable, and to the extent differing from the foregoing, at the address of such registered Shareholder's respective legal representatives, in trust for such registered Shareholder. Beneficial holders of Shares shall be entitled to receive distributions only through the applicable registered Shareholder on the registers maintained by the Transfer Agent in respect of the Shares.

**6.2 Undeliverable Distributions to Shareholders**

Where the Liquidator is unable to distribute rateably the Assets among the registered Shareholders because a registered Shareholder is unknown or a registered Shareholder's whereabouts is unknown, the share of the Assets of such registered Shareholder may, by agreement with the Public Trustee or as otherwise ordered by the Court, be delivered or conveyed by the Liquidator to the Public Trustee or such other party as ordered by the Court to be held in trust for the registered Shareholder, and such delivery or conveyance shall be deemed to be a distribution to that registered Shareholder of his, her or its rateable share for the purpose of this Liquidation Plan.

**6.3 Interim Distributions**

Any distributions to registered Shareholders (other than any final distribution on the cancellation of the Shares) shall be either as a reduction of stated capital, subject to satisfying the applicable solvency tests in the CBCA, or as a dividend. Subject to applicable law, the determination as to whether or not to make any such interim distribution and whether or not any such interim distribution is made as a reduction of stated capital or as a dividend shall be made by the Inspectors.

**ARTICLE 7  
COMPLETION OF THE LIQUIDATION PLAN**

**7.1 Discharge of Liquidator and Inspectors**

At the Dissolution Date, the Liquidator and Inspectors shall be discharged and shall have no further obligations or responsibilities, except only with respect to any remaining duties or power required to implement and give effect to the terms of this Liquidation Plan.

**ARTICLE 8  
GENERAL PROVISIONS**

**8.1 Liquidation Plan Amendment**

- (a) The Liquidator and Inspectors may, at any time prior to the Dissolution Date, agree to amend, modify and/or supplement this Liquidation Plan without the approval of the Court, (i) in order to

correct any clerical or typographical error, (ii) as required to maintain the validity or effectiveness of this Liquidation Plan as a result of any change in any Legal Requirement, or (iii) in order to make any change that in the opinion of the Liquidator and the Inspectors is administrative in nature and does not materially change the terms of this Liquidation Plan.

- (b) Subject to the ability of the Liquidator and Inspectors to agree to amend, modify and/or supplement or amend this Liquidation Plan without the approval of the Court as provided in Article 8.1(a), the Liquidator and Inspectors reserve the right, at any time prior to the Dissolution Date, to amend, modify and/or supplement this Liquidation Plan, provided that any such amendment, modification or supplement shall not be effective until approved by the Court.

## 8.2 Severability

In the event that any provision in this Liquidation Plan is held by the Court to be invalid, void or unenforceable, the Court shall have the power to 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 and interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Liquidation Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

## 8.3 Paramountcy

From and after the Liquidation Date, any conflict between: (i) this Liquidation Plan; and (ii) any information summary in respect of this Liquidation Plan, or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, document or agreement, written or oral, and any and all amendments and supplements thereto existing between the Corporation and any of the Shareholders, Directors, Liquidator, and Inspectors as at the Liquidation Date, will be deemed to be governed by the terms, conditions and provisions of this Liquidation Plan, which shall take precedence and priority.

## 8.4 Responsibilities of the Liquidator

The Liquidator will have only those powers granted to it by this Liquidation Plan, by the CBCA and by any order of the Court.

## 8.5 Notices

Any notice or communication to be delivered hereunder shall be in writing and shall reference this Liquidation Plan and may, subject as hereinafter provided, be made or given by personal delivery, by fax, courier or e-mail addressed to the respective parties as follows:

- (a) if to a Shareholder:

at the addresses set forth in the securities register kept at the Transfer Agent;

- (b) if to a Creditor:

at the addresses set forth in the books and records of the Corporation or the proofs of claim filed by such Creditor in accordance with the Claims Process;

- (c) if to the Corporation or the Liquidator:

The Bowra Group Inc.

Attention: Mario Mainella  
Fax: 604-689-8584  
E-mail: [westernone@bowragroup.com](mailto:westernone@bowragroup.com)

with a copy to (which shall not constitute notice):

Farris, Vaughan, Wills & Murphy LLP

Attention: B. R. (Brian) Canfield, counsel for the Corporation  
Fax: 604-661-9349  
E-mail: [bcanfield@farris.com](mailto:bcanfield@farris.com)

and

Lawson Lundell LLP

Attention: Kimberley Robertson, counsel for the Liquidator  
Fax: 604-641-4428  
E-mail: [krobertson@lawsonlundell.com](mailto:krobertson@lawsonlundell.com)

(d) if to the Inspectors:

c/o Farris, Vaughan, Wills & Murphy LLP

Attention: B. R. (Brian) Canfield  
Fax: 604-661-9349  
E-mail: [bcanfield@farris.com](mailto:bcanfield@farris.com)

or to such other address as any party may from time to time notify the others in accordance with this Article 8.5. All such notices and communications which are delivered shall be deemed to have been received on the date of delivery. Any such notices and communications which are faxed shall be deemed to be received on the date faxed if sent before 5:00 p.m. Pacific Standard Time on a Business Day and otherwise shall be deemed to be received on the Business Day next following the day upon which such fax was sent. Any notice or other communication sent by mail shall be deemed to have been received on the fifth Business Day after the date of mailing. The unintentional failure by the Liquidator to give a notice contemplated hereunder shall not invalidate any action taken by any Person pursuant to this Liquidation Plan.

#### 8.6 Governing Law

The Liquidation Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein without regard to conflict of laws. All questions as to the interpretation or application of this Liquidation Plan and all proceedings taken in connection with this Liquidation Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

The foregoing Liquidation Plan being adopted by the Board as of this 17<sup>th</sup> day of December, 2018.

BY THE ORDER OF THE BOARD

Per: \_\_\_\_\_

Name: Robert [Signature]

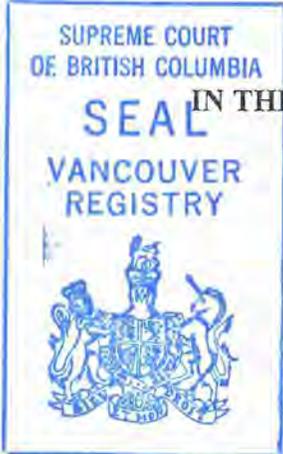
Title: Chairman

**APPENDIX B**

A copy of the Claims Procedure Order dated December 17, 2018



No. S1813437  
Vancouver Registry



**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF SECTION 211 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED**

**WEQ HOLDINGS INC.**

PETITIONER

**CLAIMS PROCEDURE ORDER**

BEFORE THE HONOURABLE JUSTICE )  
BAKER ) The 17<sup>th</sup> day of December, 2018  
)

ON THIS PETITION OF THE Petitioner, WEQ Holdings Inc. (“WEQ”), formerly WesternOne Inc., pursuant to section 211 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C- 44, as amended (the “CBCA”), for an Order, among other things, continuing the voluntary liquidation of WEQ under the supervision of this Court and, in connection therewith, approving and establishing a procedure for the solicitation, determination and resolution of certain claims against WEQ and its former directors and officers (the “Claims Process”), was heard this day at 800 Smithe Street, Vancouver, British Columbia on December 17, 2018, and on hearing Teresa Tomchak and Tim Louman-Gardiner, counsel for the Petitioner and Kimberley Robertson, counsel for the Liquidator, and no one else appearing and on reading the affidavit of Robert King #1 sworn December 13, 2018.

**DEFINITIONS AND INTERPRETATION**

1. THIS COURT ORDERS that for purposes of this Order, that any capitalized terms, not otherwise defined in this Order, shall have the meaning ascribed to them in the Liquidation Plan. The following terms shall have the following meanings:

- (a) “**Affected Respondent**” means a Director or Officer in respect of whom a D&O Claim has been made in any Proof of Claim delivered in accordance with paragraph 11 of this Order;
- (b) “**Business Day**” means a day, other than a Saturday or a Sunday, on which banks are generally open for business in British Columbia;
- (c) “**CBCA**” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;
- (d) “**Claim**” means a Corporation Claim or a D&O Claim or both;
- (e) “**Claim Bar Date**” means 5:00 p.m. (P.S.T.) on February 15, 2019 or such later date as may be ordered by this Court;
- (f) “**Claim Process Notice**” means the notice of this Order to be published in accordance with paragraph 8 of this Order, substantially in the form attached hereto as Schedule “A”;
- (g) “**Claimant**” means a Person (including the Purchaser) who has asserted a Claim or could have asserted a Claim but for the provisions hereof concerning the Claim Bar Date;
- (h) “**Corporation Claim**” means any right or claim of any Person that may be asserted or made in whole or in part against WEQ, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of WEQ, including on account of Wages and Benefits, and any accrued interest thereon and costs payable in respect thereof, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or

indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future but does not include an Equity Claim or a claim for a payment of an RSU or Performance Unit;

- (i) **“Court”** means the Supreme Court of British Columbia;
- (j) **“Disputed Claim”** means any Claim in respect of which a Proof of Claim has been filed in accordance with this Order and which is not a Proven Claim;
- (k) **“D&O Claim”** means:
  - (i) any existing or future right or claim of any Person that may be asserted or made in whole or in part against a Director or Officer of WEQ that relates to a claim for which such Directors or Officers are by law liable to pay in their capacity as Directors or Officers, with the exception of any statutory claim for wages; or
  - (ii) any existing or future right or claim of any Person that may be asserted or made in whole or in part against a Director or Officer of WEQ, in that capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future,

known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity from any such Directors or Officers or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future;

- (l) “**Director**” means anyone who was, or may be deemed to be, at any time prior to and from and including the Effective Date, a director of WEQ;
- (m) “**Effective Date**” means December 17, 2018;
- (n) “**Equity Claim**” means the entitlement to a distribution of a Shareholder in respect of Shares;
- (o) “**Inspectors**” means the inspectors appointed pursuant to the Liquidation Plan or any order of this Court;
- (p) “**Liquidation Order**” means the Order of this Court made in these proceedings on December 17, 2018 approving and affirming, among other things, the Liquidation Plan and the appointment of the Liquidator;
- (q) “**Liquidation Plan**” means the plan of liquidation and dissolution pursuant to the Liquidation Order;
- (r) “**Liquidator**” means the Bowra Group Inc. (“**Bowra**”), in its capacity as the liquidator of WEQ pursuant to the Liquidation Plan and the Liquidation Order;
- (s) “**Notice of Determination of Claim**” means the notice provided by the Liquidator pursuant to paragraph 21 or 31 of this Order;
- (t) “**Notice of Objection**” means the notice provided pursuant to paragraph 22 or 32 of this Order;

- (u) “**Officer**” means anyone who was or may be deemed to be, at any time prior to and from and including the Effective Date, an officer of WEQ;
- (v) “**Person**” means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity;
- (w) “**Performance Units**” means a performance unit issued by the Corporation;
- (x) “**Proof of Claim**” means the proof of claim referred to herein to be filed by Claimants in connection with any Claim, substantially in the form attached as Schedule “B”, which shall include all supporting documentation in respect of such Claim;
- (y) “**Proven Claim**” means a Claim to the extent that it has been finally determined in accordance with the terms of this Order; and
- (z) “**Proven D&O Claim**” means a D&O Claim to the extent that it has been finally determined in accordance with the terms of this Order;
- (aa) “**Purchase Price**” has the same meaning as defined in the Asset Purchase Agreement;
- (bb) “**Purchaser**” means United Rentals of Canada, Inc.;
- (cc) “**Purchaser Claim Bar Date**” means the later of the Adjustment Date (as defined in the Asset Purchase Agreement) and the Cut-Off Date (as defined in the Asset Purchase Agreement);
- (dd) “**Purchaser Deemed Claim**” has the meaning given in paragraph 12 hereof;
- (ee) “**Purchaser Deemed Claim Expiry Date**” means the date that is the earlier of the Purchaser Claim Bar Date or the date the Purchaser files a Proof of Claim.
- (ff) “**RSU**” means a restricted share unit issued by the Corporation;

- (gg) “**Shareholder**” means all holders of Shares shown from time to time in the registers maintained by or on behalf of the Corporation by the Transfer Agent in respect of the Shares and, unless otherwise specified, includes all beneficial owners of Shares;
- (hh) “**Shares**” means the common shares in the capital of the Corporation;
- (ii) “**Transfer Agent**” means Computershare Investor Services Inc., as transfer agent for the Shares of the Corporation;
- (jj) “**Wages and Benefits**” means all outstanding wages, salaries and employee benefits (including, but not limited to, employee medical, dental, disability, life insurance and similar benefit plans or arrangements, bonus plans, incentive plans, share compensation plans, share allocation plans and employee assistance programs and employee or employer contributions in respect of pension and other benefits), vacation pay, commissions, bonuses and other incentive payments, and employee and director expenses and reimbursements, in each case incurred in the ordinary course of business and consistent with compensation policies and arrangements; and
- (kk) “**WEQ**” means WEQ Holdings Inc., formerly WesternOne Inc.

2. THIS COURT ORDERS that all references as to time herein shall mean local time in Vancouver, British Columbia, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00PM Vancouver time on such Business Day unless otherwise indicated herein.

3. THIS COURT ORDERS that all references to the word “including” shall mean “including without limitation”, and that all references to the singular herein include the plural, the plural include the singular, and that any gender includes all genders.

4. THIS COURT ORDERS that for the purposes of this Order, any Claim denominated in any currency other than Canadian dollars shall be converted to and constitute obligations in

Canadian dollars, such calculation to be effected by the Liquidator using the single rate of exchange posted by the Bank of Canada on the Effective Date.

### **LIQUIDATOR'S ROLE**

5. THIS COURT ORDERS that the Liquidator, in addition to its prescribed rights, responsibilities and obligations under the CBCA, the Liquidation Plan and the Liquidation Order, shall administer the Claims Process, including the determination of Claims, and is hereby directed and empowered to take such actions and fulfill such other roles as are contemplated by this Order.

### **SOLICITATION OF CLAIMS**

#### **Notice to Claimants**

6. THIS COURT ORDERS that the Claims Process Notice is hereby approved.

7. THIS COURT ORDERS that the Liquidator shall cause the Claims Process Notice and Proof of Claim to be posted on the Liquidator's website at [www.bowragroup.com](http://www.bowragroup.com) no later than five (5) days after the date of this Order.

8. THIS COURT ORDERS that the Liquidator shall take all reasonable steps to cause the Claims Process Notice to be published in the National Post, the Globe and Mail and the Wall Street Journal by the Liquidator no later than fifteen (15) days after the date of this Order.

9. THIS COURT ORDERS that the Liquidator shall, no later than fifteen (15) days after the date of this Order, send the Claims Process Notice and Proof of Claim by ordinary mail, electronic mail, facsimile transmission or courier to:

- (a) Each party that appears on the service list in these proceedings;
- (b) All of the known creditors of WEQ with a debt as evidenced by its books and records as of the commencement of the liquidation; and
- (c) All Persons who have notified the Liquidator or WEQ of a potential Claim.

10. THIS COURT ORDERS that the sending of the Claims Process Notice and the publication of the Claims Process Notice, in accordance with this Order, shall constitute good

and sufficient service and delivery of notice of this Order and the Claims Bar Date on all Persons and no other notice or service need to be given or made.

**Deadline for Filing a Proof of Claim**

11. THIS COURT ORDERS that any Person that intends to assert a Claim shall deliver a Proof of Claim, together with all relevant supporting documentation in respect of the Claim, to the Liquidator on or before the Claim Bar Date, or in the case of the Purchaser on or before the Purchaser Claim Bar Date.

12. THIS COURT ORDERS that notwithstanding anything to the contrary in the Liquidation Plan or in this Order, the Liquidation Order or in any other Order of this Court, until the Purchaser Deemed Claim Expiry Date, the Purchaser shall be deemed for all purposes to have a Proven Claim in the full amount of the Purchase Price (the "**Purchaser Deemed Claim**"). For certainty, as of the Purchaser Deemed Claim Expiry Date, the Purchaser Deemed Claim shall cease to exist and all Claims and Proof of Claims of the Purchaser shall be dealt with in accordance with the terms of this Order.

13. THIS COURT ORDERS that the Claims of all Claimants who do not deliver a Proof of Claim to the Liquidator by the Claim Bar Date or in the case of the Purchaser by the Purchaser Claim Bar Date, shall be forever extinguished and barred and all such Claimants shall be deemed to have fully and finally released and discharged all such Claims without any further act or notification.

14. THIS COURT ORDERS that with respect to any Claims which are deemed to have been released and discharged in accordance with paragraph 13 of this Order, WEQ and the Directors and Officers 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, executions, charges and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Claimant may have been entitled to assert, including, without limitation, any and all claims in respect of potential statutory liabilities, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, and that no Director, Officer or any other Person shall be entitled to assert a claim for

indemnification against WEQ with respect to any such D&O Claims which have been released and discharged.

15. THIS COURT ORDERS that the Liquidator shall maintain a list of all Proof of Claims received by it, including the name of the Claimant, the party or parties claimed against, the amount claimed, the nature of the Claim and the status of the Claim; provided that until the Purchaser Deemed Claim Expiry Date, the list of the Proof of Claims maintained by the Liquidator shall include the Purchaser Deemed Claim.

16. THIS COURT ORDERS that the Liquidator is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which Proof of Claims are completed and executed and the time in which they are submitted and may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to the completion and execution of Proof of Claims and to request any further documentation from a Claimant that the Liquidator may require in order to enable it to determine the validity of a Claim.

17. THIS COURT ORDERS that Shareholders shall have no obligation to provide a Proof of Claim for Equity Claims and holders of RSUs or Performance Units shall have no obligation to provide a Proof of Claim for payment of their RSUs or Performance Units.

#### **DETERMINATION OF CORPORATION CLAIMS**

18. THIS COURT ORDERS that, following the Claim Bar Date or in the case of the Purchaser, the Purchaser Claim Bar Date, the Liquidator shall review the Proof of Claims filed on or before the Claim Bar Date or in the case of the Purchaser on or before the Purchaser Claim Bar Date, and, with respect to all Corporation Claims, the Liquidator shall, in consultation with the Inspectors, determine to either allow, partially allow, partially disallow or disallow the Corporation Claims.

19. THIS COURT ORDERS that the Liquidator, in consultation with Inspectors, may attempt to consensually resolve the amount of any asserted Claim with the Claimant prior to allowing, partially allowing, partially disallowing or disallowing such Claim.

20. THIS COURT ORDERS that for any Corporation Claim commenced prior to the Effective Date by the issuance of court proceedings, the Liquidator may, in consultation with the Inspectors, choose to have such Corporation Claim determined in the context of the proceedings commenced by such court proceedings and, in such case, the Liquidator shall notify such Claimant of such a decision rather than provide a Notice of Determination (as defined below). The value and status of such Claimant's Corporation Claim shall be as finally determined in such proceedings and shall be deemed to constitute such Claimant's Proven Claim (as defined below) as so finally determined.

21. THIS COURT ORDERS that, where a Corporation Claim is to be allowed, partially allowed, partially disallowed or disallowed pursuant to the process contained in this Order, the Liquidator shall deliver to the Claimant a written notice of such determination (a "**Notice of Determination**") as soon as reasonably practicable.

22. THIS COURT ORDERS that in the event that a Claimant objects to the Liquidator's determination of a Corporation Claim and intends to contest the Notice of Determination, such Claimant shall deliver written notice of such party's objection and a brief description of the grounds for such objection (a "**Notice of Objection**") so that such Notice of Objection is received by the Liquidator by no later than 5:00 p.m. on the day which is fourteen (14) days after the date the Notice of Determination is deemed to be received.

23. THIS COURT ORDERS that any Claimant that does not provide the Liquidator with a Notice of Objection within the deadline set forth in paragraph 22 shall be deemed to have agreed with the Notice of Determination pertaining to that Claimant's Claim. Any Claim, or any portion thereof, that is disallowed pursuant to a Notice of Determination and in respect of which no Notice of Objection is received by the Liquidator by the deadline set forth in paragraph 22 hereof, shall be forever extinguished, barred, discharged and released as against the Property, as that term is defined in the Liquidation Order without any further act or notification.

24. THIS COURT ORDERS that the Liquidator, in consultation with the Inspectors, may attempt to resolve and settle any dispute with respect to the Corporation Claim pursuant to a Notice of Objection and, in the event that a settlement is not achieved within a reasonable time,

the Liquidator may seek directions from the Court concerning an appropriate process for resolving the disputed Corporation Claim.

25. THIS COURT ORDERS that where a Claimant who receives a Notice of Determination of Claim agrees to same or otherwise settles with the Liquidator pursuant to paragraph 24 of this Order, or where a Corporation Claim is finally determined by order of the Court, the value and status of such Claimant's Corporation Claim shall be deemed to be as set out in the Notice of Determination, settlement or final order of the Court, as the case may be, and such value and status, if any, shall constitute such Claimant's proven Corporation Claim.

26. THIS COURT ORDERS that the forms of Claims Process Notice and Proof of Claim are hereby approved. Notwithstanding the foregoing, the Liquidator may from time to time, make minor non-substantive changes to the forms as may be necessary or desirable.

#### **DETERMINATION OF D&O CLAIMS**

27. THIS COURT ORDERS that, following the Claim Bar Date, the Liquidator shall review the Proof of Claims filed on or before the Claim Bar Date with respect to all D&O Claims. The Liquidator shall provide a copy of each of the D&O Claims to the relevant Affected Respondents and shall work with the Affected Respondents to determine as promptly as possible the extent to which the D&O Claims are covered under any directors' and officers' insurance policy and, if covered, the extent, if any, that such coverage is insufficient to pay amounts set out in the relevant D&O Claims.

28. THIS COURT ORDERS that where: (a) a D&O Claim is covered under any directors' and officers' insurance policy; and (b) such insurer has admitted or confirmed in writing such coverage (or a final order of a court, where no further rights of appeal exist, has issued determining that the relevant Director or Officer is entitled to coverage under any directors' and officers' insurance policy); but (c) such coverage is insufficient to pay the amounts set out in the relevant D&O Claim; then (d) only the amount of such deficiency in respect of the covered D&O Claim shall continue to constitute a Claim under this Order.

29. THIS COURT ORDERS that a D&O Claim which is not covered under any directors' and officers' insurance policy shall continue to constitute a Claim under this Order.

30. THIS COURT ORDERS that after a determination of coverage (or not) under any directors' and officers' insurance policy and the extent thereof in connection with the D&O Claims, the Liquidator shall, in consultation with the relevant Affected Respondents and the Inspectors, determine to either allow, partially allow, partially disallow or disallow the remaining D&O Claims.

31. THIS COURT ORDERS that, where a D&O Claim is to be allowed, partially allowed, partially disallowed or disallowed, the Liquidator shall deliver to the Claimant a Notice of Determination as soon as reasonably practicable.

32. THIS COURT ORDERS that, in the event that a Claimant objects to the Liquidator's determination of a D&O Claim and intends to contest the Notice of Determination, such Claimant shall deliver a Notice of Objection so that such Notice of Objection is received by the Liquidator by no later than 5:00 p.m. on the day which is fourteen (14) days after the date the Notice of Determination is deemed to be received.

33. THIS COURT ORDERS that any Claimant that does not provide the Liquidator with a Notice of Objection within the deadline set forth in paragraph 32 shall be deemed to have agreed with the Notice of Determination pertaining to that Claimant's D&O Claim. Any D&O Claim, or any portion thereof, that is disallowed pursuant to a Notice of Determination and in respect of which no Notice of Objection is received by the Liquidator by the deadline set forth in paragraph 32 hereof, shall be forever extinguished, barred, discharged and released as against the Property without any further act or notification.

34. THIS COURT ORDERS that the Liquidator shall forthwith provide the Inspectors with a copy of any Notice of Objection received. The Liquidator, in consultation with the Inspectors, may attempt to resolve and settle any dispute with respect to any D&O Claim and, in the event that a settlement is not achieved within a reasonable time, the Liquidator may seek directions

from the Court concerning an appropriate process for resolving the disputed D&O Claim, including but not limited to the appointment of a claims officer.

35. THIS COURT ORDERS that where a Claimant who receives a Notice of Determination of Claim agrees to same or otherwise settles with the Liquidator pursuant to paragraph 34 of this Order, or where the D&O Claim is finally determined by order of the Court, the value and status of such Claimant's D&O Claim shall be deemed to be as set out in the Notice of Determination, settlement or final order of the Court, as the case may be, and such value and status, if any, shall constitute such Claimant's proven D&O Claim.

#### **INDEMNITY CLAIMS OF DIRECTORS AND OFFICERS**

36. THIS COURT ORDERS that, upon all Proven D&O Claims being determined, the Liquidator, in consultation with the Inspectors and the relevant Affected Respondents, shall determine whether or not any Proven D&O Claim is subject to indemnification by WEQ. In the event that the Liquidator and the relevant Affected Respondents do not agree whether certain of the Proven D&O Claims are subject to indemnification by WEQ, then the Liquidator shall serve and file a Notice of Application with this Court for an order for directions concerning the applicability of such indemnification to the particular Proven D&O Claims in question.

#### **PAYMENT OF CLAIMS**

37. THIS COURT ORDERS that the amount of all Proven D&O Claims which are determined by the Liquidator, in consultation with the Inspectors, or are otherwise determined by final order of the Court, to be subject to indemnification by WEQ shall be paid by the Liquidator from bank accounts over which the Liquidator controls or holds. Despite the wording of the Liquidation Plan, the Liquidator may maintain money belonging to the Corporation in any account over which the Liquidator has full control, rather than a bank account in the name of the Liquidator.

38. THIS COURT ORDERS that the amount of all Proven Claims which are not Proven D&O Claims shall be paid by the Liquidator from bank accounts over which the Liquidator controls or holds.

39. THIS COURT ORDERS that, upon the payment in full of any Proven D&O Claim or any Proven Claim which is not a D&O Claim, the Claimants in respect of such Claims shall be deemed to have fully and finally released and discharged all such Claims and WEQ and the Directors and Officers 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, executions, charges and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any such Claimant may have been entitled to assert, including, without limitation, any and all claims in respect of potential statutory liabilities, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising.

40. THIS COURT ORDERS that the Liquidator shall make no distributions to Shareholders until after the Purchaser Claim Bar Date. The Liquidator shall be entitled to make a distribution in satisfaction of its obligations relating to the Debentures as and when contemplated in article 4.2(f) of the Liquidation Plan.

#### **NOTICES AND COMMUNICATIONS**

41. THIS COURT ORDERS that, except as set out in this Order, any notice or communication (including Notices of Determination) to be given under this Order by the Liquidator to a Claimant shall be in writing and may be delivered by prepaid ordinary mail, by courier, by delivery, by facsimile transmission or electronic mail to the Claimant to such address, facsimile number or e-mail address, as applicable, for such Claimant as shown on the books of WEQ or as set out in such Claimant's Proof of Claim. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within British Columbia, the fifth Business Day after mailing within Canada (other than within British Columbia), and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or e-mail by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

42. THIS COURT ORDERS that any document, notice or other communication (including, without limitation, Proof of Claims) required to be delivered to the Liquidator under this Order shall be in writing and, where applicable, substantially in the form provided for in this Order, and will be sufficiently delivered only if delivered to:

The Bowra Group Inc.  
505 Burrard St. #430  
Vancouver, British Columbia  
V7X 1M3  
Attention: Gordon Brown  
Fax: 604-689-8584  
E-mail: westernone@bowragroup.com

43. THIS COURT ORDERS that in the event that the day on which any notice or communication required to be delivered pursuant to the Claims Procedure is not a Business Day then such notice or communication shall be required to be delivered on the next Business Day.

44. THIS COURT ORDERS that the Liquidator is authorized to enter into settlement negotiations with a Claimant at any stage of the Claims Procedure and is further authorized to enter into agreements with such Claimant resolving the value of their Claim.

45. THIS COURT ORDERS that if during any period during which notices or other communications are being given pursuant to this Order a postal strike or postal work stoppage of general application should occur, such notices or other communications then not received or deemed received shall not, absent further Order of this Court, be effective. Notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, delivery, facsimile transmission or electronic mail in accordance with this Order.

46. THIS COURT ORDERS that the Corporation and/or the Inspectors shall provide a list setting out the name and last known address of each Director and Officer to the Liquidator and that any obligation upon the Liquidator hereunder to provide notice or information to any Director or Officer shall be satisfied by delivery of such notice or information to the last known address of the Director or Officer as set out in the list provided by the Corporation and/or the Inspectors.

47. THIS COURT ORDERS that nothing in this Order shall prevent or bar any Person from seeking recourse against or payment from any directors' and/or officers' liability insurance policy or policies that may exist to protect or indemnify the Directors or Officers, whether such recourse or payment is sought directly by the Claimant from the insurer or derivatively through WEQ. However, nothing in this Order shall create any rights in favour of such Person under any policies of insurance nor shall anything in this Order limit, remove, modify or alter any defence to such claim available to the insurer pursuant to the provisions of any insurance policy or at law.

#### **INTERIM DISTRIBUTIONS**

48. THIS COURT ORDERS that, subject to paragraph 40 hereof, following the Claim Bar Date, the Liquidator be and is hereby at liberty to forthwith distribute rateably among the registered Shareholders of WEQ an interim distribution taking into account the Claims filed and the additional costs associated with the liquidation and any taxes anticipated to be payable (the "**Interim Distributions**"), provided no such Interim Distribution shall be made until after the Purchaser Deemed Claim Expiry Date.

49. THIS COURT ORDERS that the Interim Distribution shall be distributed as a reduction of stated capital, or as a dividend, as contemplated by article 6.3 of the Liquidation Plan and determined by the Inspectors appointed under the Liquidation Plan.

50. THIS COURT ORDERS that, subject to Inspector approval, and paragraph 40 hereof, the Liquidator is hereby authorized, but not directed, to make further interim distributions rateably at such times and in such amounts as the Liquidator considers appropriate to the registered shareholders of WEQ according to their rights and interests in WEQ.

51. THIS COURT ORDERS that the Liquidator may make any distributions through the Transfer Agent. The Liquidator is permitted to rely on the records maintained by the Transfer Agent, without conducting further investigation. Delivery of distributions shall be made in accordance with Article 6 of the Liquidation Plan.

#### **GENERAL PROVISIONS**

52. THIS COURT ORDERS that nothing in the Liquidation Plan or in this Order, the Liquidation Order or in any other Order of this Court shall affect the rights of the Purchaser under the Asset Purchase Agreement and related agreements, in respect of the Holdback (as defined in the Asset Purchase Agreement) and the Purchaser's recourse thereto.

53. THIS COURT ORDERS that the Liquidator may from time to time apply to this Court for advice and directions in connection with the discharge or variation of its powers and duties under this Order.

54. THIS COURT ORDERS that in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Liquidation Plan and this Order, the terms, conditions and provisions of this Order shall govern and be paramount, and the Liquidation Plan shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

55. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Liquidator and its respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Liquidator in any foreign proceeding, or to assist the Liquidator and its respective agents in carrying out the terms of this Order.

56. THIS COURT ORDERS that the Liquidator be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Liquidator is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

  
BY THE COURT  
  
CLERK

81313437

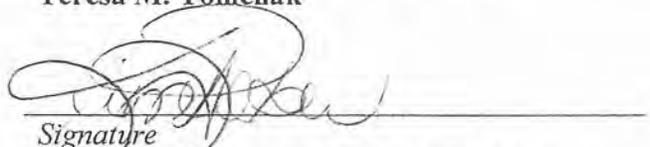
THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT.



Signature

Party  Lawyer for the Petitioner

**Teresa M. Tomchak**



Signature

Party  Lawyer for the Liquidator

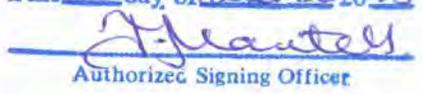
**Kimberley A. Robertson**

*By the Court*

\_\_\_\_\_  
*Registrar*

Certified a true copy according to the records of the Supreme Court at Vancouver, B.C.

This 17<sup>th</sup> day of December 2018

  
Authorized Signing Officer

**JOE MANTELL**

Schedule "A"

---

NOTICE OF CLAIM BAR DATE

---

IN RESPECT OF CLAIMS AGAINST WEQ HOLDINGS INC., FORMERLY  
WESTERNONE INC. AND ITS FORMER DIRECTORS AND OFFICERS

---

IN THE MATTER OF SECTION 211 OF THE *CANADA BUSINESS CORPORATIONS  
ACT*, R.S.C. 1985, c. C-44, AS AMENDED

---

***PLEASE TAKE NOTICE*** that this notice is being published pursuant to an order of the Supreme Court of British Columbia dated December 17, 2018 (the "**Claims Procedure Order**"). All capitalized terms in this Notice are defined in the Claims Procedure Order, a copy of which can be found on the website of the Liquidator, the Bowra Group Inc. at [www.bowragroup.com](http://www.bowragroup.com).

Any Person who believes that it has a Claim against WEQ Holdings Inc., ("WEQ"), formerly WesternOne Inc., or a former Director or Officer of WEQ, should send a Proof of Claim to the Liquidator to be received by the Liquidator by 5:00 p.m. local Vancouver time on February 15, 2019 or such other date as ordered by the Court (the "Claim Bar Date").

**CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIM BAR DATE WILL BE FOREVER BARRED AND EXTINGUISHED.**

A copy of the Claims Procedure Order providing a full definition of Claims being called for can be found on the Liquidator's website at: [www.bowragroup.com](http://www.bowragroup.com).

Claimants who require a Proof of Claim form may access the form at the Liquidator's website at [www.bowragroup.com](http://www.bowragroup.com) or they may contact the Liquidator (Attention: Gordon Brown, Telephone: 604-689-8939) to obtain a hard copy of the Proof of Claim and/or the Claims Procedure Order.

Claimants should file their Proof of Claim with the Liquidator by mail, facsimile, e-mail, courier or hand delivery, so that the Proof of Claim is actually received by the Liquidator by the Claim Bar Date at the address below.

Address of the Liquidator

The Bowra Group Inc.  
Bentall 1 Centre, Box 72  
505 Burrard St. #430  
Vancouver, British Columbia  
V7X 1M3  
Attention: Gordon Brown  
Fax: 604-689-8584  
E-mail: [westernone@bowragroup.com](mailto:westernone@bowragroup.com)

Schedule "B"

---

PROOF OF CLAIM

---

IN RESPECT OF WEQ HOLDINGS INC., FORMERLY WESTERONE INC. AND  
ITS FORMER DIRECTORS AND OFFICERS

1. PARTICULARS OF CLAIMANT

Full Legal Name of Claimant: \_\_\_\_\_ (the "Claimant").  
(Full legal or corporate name should be the name of the original Claimant.)

Full Mailing Address of the Claimant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone Number of Claimant: \_\_\_\_\_ \*

Facsimile Number of Claimant: \_\_\_\_\_ \*

Attention (Contact Person): \_\_\_\_\_

E-mail Address: \_\_\_\_\_ \*

Has the Claim been sold or assigned by Claimant to another party?

Yes \_\_\_\_\_ No \_\_\_\_\_ (If yes please complete section D)

2. PROOF OF CLAIM:

I, \_\_\_\_\_ [Name of Claimant or Representative  
of the Claimant], do hereby certify:

that I am (please check one):

\_\_\_\_\_ the Claimant ; or

\_\_\_\_\_ hold the following position of \_\_\_\_\_ the Claimant

and have personal knowledge of all the circumstances connected with the Claim  
described herein;

3. **PARTICULARS OF CLAIM:**

Name of the specific party or parties against whom the Claim is being made and the amount of the Claim:

<b>Debtor Party</b>	<b>Amount</b>	<b>Currency</b>
	\$ _____	
	\$ _____	
	\$ _____	
	\$ _____	

Description of transaction, agreement or event giving rise or relating to the Claim:

---

---

---

---

---

If the Claim is contingent or unliquidated, state the basis and provide evidence upon which the Claim has been valued:

**IF CLAIMANTS REQUIRE ADDITIONAL SPACE, PLEASE ATTACH A SCHEDULE HERETO. CLAIMANTS SHOULD PROVIDE:**

- **PARTICULARS OF THE CLAIM; AND**
- **COPIES OF ALL SUPPORTING DOCUMENTATION, INCLUDING AMOUNT AND DESCRIPTION OF TRANSACTION(S), AGREEMENT(S) OR LEGAL BREACH(ES) GIVING RISE TO THE CLAIM.**

**THE FAILURE TO PROVIDE SUFFICIENT EVIDENCE TO SUPPORT YOUR CLAIM MAY RESULT IN YOUR CLAIM BEING DISALLOWED WHOLLY, OR IN PART, AND DETERMINED ACCORDINGLY.**

**4. PARTICULARS OF ASSIGNEE(S) (IF ANY):**

Full Legal Name of Assignee(s) of the Claim (*if all or a portion of the Claim has been sold*). If there is more than one assignee, please attach separate sheets with the following information:

\_\_\_\_\_  
(the "Assignee(s)")

Amount of Total Claim Assigned \$ \_\_\_\_\_  
Amount of Total Claim Not Assigned \$ \_\_\_\_\_

Total Amount of Claim \$ \_\_\_\_\_  
(should equal "Total Claim" as entered on Section B)

Full Mailing Address of Assignee(s):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone Number of Assignee(s): \_\_\_\_\_

Facsimile Number of Assignee(s): \_\_\_\_\_

E-mail address of Assignee(s): \_\_\_\_\_

Attention (Contact Person): \_\_\_\_\_

**FILING OF CLAIMS:**

**The duly completed Proof of Claim together with supporting documentation must be returned and received by the Liquidator, no later than 5:00 pm local Vancouver time on February 15, 2019, to the e-mail address or address listed below.**

Failure to file your Proof of Claim by such date will result in your claim **being forever extinguished and barred** and you will be prohibited from making or enforcing a Claim against WEQ or the Directors or Officers.

This Proof of Claim must be delivered by e-mail, facsimile, personal delivery, courier or prepaid mail at the following address:

Address of the Liquidator:

The Bowra Group Inc.  
Bentall 1 Centre, Box #72  
505 Burrard St. #430  
Vancouver, British Columbia  
V7X 1M3  
Attention: Gordon Brown  
Fax: 604-689-8584  
E-mail: westernone@bowragroup.com

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
(Signature of Witness)

\_\_\_\_\_  
(Signature of individual completing this form)

\_\_\_\_\_  
(Please print name)

\_\_\_\_\_  
(Please print name)

## **APPENDIX C**

Liquidator's Interim Statement of Receipts and Disbursements

For the period December 17, 2018 to November 30, 2020

**In the Matter of the Liquidation WEQ Holdings Inc. (formerly WesternOne Inc.)  
Interim Statement of Receipts and Disbursements  
For the period December 17, 2018 to November 30, 2020**

	\$'s
<b>Receipts</b>	
Cash transferred from WEQ's bank account	85,534,161
Holdback received from URI	14,898,752
Other income	
Interest income	556,549
Insurance refund	280,185
Corporate tax refunds	89,003
Sale of sundry assets and other income <sup>1</sup>	85,101
GST refund	6,340
	1,017,178
<b>Total Receipts</b>	<b>101,450,091</b>
<b>Disbursements</b>	
Payment to debenture holders	53,849,230
Interim distribution to shareholders	36,084,497
Payment of Restricted Share Units (RSU's)	2,841,379
Post-closing banking adjustment to URI	1,945,152
Operating and other expenses	
Payroll and benefits	741,466
GST and PST paid	256,559
Carbon tax assessment <sup>2</sup>	237,941
Operating and other expenses <sup>3</sup>	180,576
Insurance	112,344
Rent paid	84,611
Custom duties	25,569
	1,639,066
Preliquidation expenses <sup>4</sup>	622,743
Lease surrender payments	616,027
Liquidator's fees and disbursements	534,588
Liquidator's legal fees and disbursements	503,452
Other professional fees including accounting and tax	324,652
Creditor claims paid	101,326
<b>Total Disbursements</b>	<b>99,062,112</b>
<b>Balance in the Liquidator's account on November 30, 2020</b>	<b>2,387,979</b>

**Notes:**

1. Sale of sundry assets and other income consist of proceeds from the sale of computer equipment and furniture for WEQ's corporate head office and rental income from subleases operated by WEQ's subsidiaries.
2. Carbon tax assessment consist of a payment to the Alberta Tax and Revenue Administration for a fuel tax adjustment relating to a fuel tax audit of WEQ's subsidiaries.
3. Operating and other expenses consist of contractor costs, inspector fees, marketing expenses, computer and software expenses, internet and utilities costs, bank charges and other associated with performance of the Liquidator's duties.
4. Preliquidation expenses consist of cheques printed before the appointment of the Liquidator on December 17, 2018 but cleared the bank account after December 17, 2018.

**APPENDIX D**

Summary of the Liquidator's Invoices

For the period June 18, 2018 to November 30, 2020

**In the Matter of the Liquidation of  
WEQ Holdings Inc.  
Summary of the Liquidator's Invoices  
For the Period June 18, 2018 to November 30, 2020**

<b>Period</b>	<b>Invoice</b>	<b>Fees</b>	<b>Disbursements</b>	<b>GST</b>	<b>Total</b>
June 18 - December 31, 2018	8630	48,699.25	1,220.74	299.24	50,219.23
January 1 - 31, 2019	8646	26,255.00	703.00	1,347.90	28,305.90
February 1 - 28, 2019	8665	28,111.25	911.50	1,451.14	30,473.89
March 1 - 31, 2019	8692	36,626.25	1,009.00	1,881.76	39,517.01
April 1 - 30, 2019	8700	26,455.00	728.00	1,359.15	28,542.15
May 1 - 31, 2019	8717	37,282.50	1,145.00	1,921.38	40,348.88
June 1 - 30, 2019	8740	46,595.00	1,464.13	2,402.96	50,462.09
July 1 - 31, 2019	8745	40,594.25	1,236.00	2,091.51	43,921.76
August 1 - 31, 2019	8769	13,419.00	410.00	691.45	14,520.45
September 1 - 30, 2019	8783	11,775.00	390.90	608.30	12,774.20
October 1 - 31, 2019	8797	9,827.00	334.80	508.09	10,669.89
November 1 - 30, 2019	8818	12,188.75	391.39	629.01	13,209.15
December 1 - 31, 2019	8842	29,025.25	1,146.00	1,508.56	31,679.81
January 1 - 31, 2020	8860	7,442.50	289.20	386.59	8,118.29
February 1 - 29, 2020	8880	8,793.00	309.00	455.10	9,557.10
March 1 - 31, 2020	8898	14,158.50	549.60	735.41	15,443.51
April 1 - 30, 2020	8918	13,952.25	450.00	720.11	15,122.36
May 1 - 31, 2020	8937	23,552.00	857.40	1,220.47	25,629.87
June 1 - 30, 2020	8953	17,171.50	625.20	889.84	18,686.54
July 1 - 31, 2020	8965	11,608.25	446.40	602.73	12,657.38
August 1 - 31, 2020	8994	6,046.25	222.75	313.45	6,582.45
September 1 - 30, 2020	9006	20,572.00	737.25	1,065.46	22,374.71
October 1 - 31, 2020	9034	6,271.50	261.00	326.63	6,859.13
November 1 - 30, 2020	9041	21,456.25	872.25	1,116.43	23,444.93
<b>Total</b>		<b>517,877.50</b>	<b>16,710.51</b>	<b>24,532.67</b>	<b>559,120.68</b>

**In the Matter of the Liquidation of  
WEQ Holdings Inc.  
Summary of the Liquidator's Hours and Hourly Rate  
For the Period June 18, 2018 to November 30, 2020**

<b>Name</b>	<b>Title</b>	<b>Hours</b>	<b>Average Hourly Rate</b>
Mainella	President	309.50	533.87
Brown	Vice President	785.25	357.24
Koo	Senior Associate	198.80	231.26
Busch	Associate	70.90	173.62
Administration		111.85	315.51

**1,476.30**

**APPENDIX E**

Summary of the Lawson Lundell LLP's Invoices

For the period October 4, 2018 to July 10, 2020

**In the Matter of the Liquidation of**  
**WEQ Holdings Inc.**  
**Summary of Lawson Lundell LLP's Invoices**  
**For the Period October 4, 2018 to July 10, 2020**

<b>Invoice</b>	<b>Fees</b>	<b>Disbursements</b>	<b>GST</b>	<b>PST</b>	<b>Total</b>
648195	7,500.00	116.70	380.84	525.00	8,522.54
653320	4,464.29	-	223.21	312.50	5,000.00
655778	1,767.00	-	88.35	123.69	1,979.04
658835	2,678.57	-	133.93	187.50	3,000.00
663383	2,232.14	-	111.61	156.25	2,500.00
665804	446.43	-	22.32	31.25	500.00
668230	651.00	-	32.55	45.57	729.12
672987	1,917.00	263.70	104.59	134.19	2,419.48
676845	1,318.00	26.60	67.23	92.26	1,504.09
679009	550.00	-	27.50	38.50	616.00
681015	650.00	-	32.50	45.50	728.00
683069	600.00	-	30.00	42.00	672.00
685989	800.00	-	40.00	56.00	896.00
688423	900.00	-	45.00	63.00	1,008.00
<b>Total</b>	<b>26,474.43</b>	<b>407.00</b>	<b>1,339.63</b>	<b>1,853.21</b>	<b>30,074.27</b>

**APPENDIX F**

Summary of the Farris LLP's Invoices

For the period December 13, 2018 to November 30, 2020

**In the Matter of the Liquidation of  
WEQ Holdings Inc.  
Summary of Farris LLP's Invoices  
For the Period December 13, 2018 to November 30, 2020**

<b>Invoice</b>	<b>Fees</b>	<b>Disbursements</b>	<b>GST</b>	<b>PST</b>	<b>Total</b>
932585	35,780.00	1,767.30	1,863.33	2,565.01	41,975.64
935205	33,400.00	6,690.90	1,876.82	2,516.34	44,484.06
936418	29,925.00	356.80	1,511.07	2,102.73	33,895.60
937772	43,965.00	8,167.72	2,219.28	3,087.46	57,439.46
939424	19,380.00	1,181.85	1,025.09	1,363.83	22,950.77
941409	27,735.00	628.34	1,418.17	1,979.76	31,761.27
942668	15,750.00	210.88	798.04	1,107.02	17,865.94
944698	15,970.00	82.60	802.63	1,122.65	17,977.88
946261	385.00	406.93	32.10	27.33	851.36
946289	4,995.00	461.57	272.83	349.88	6,079.28
947765	13,960.00	440.61	718.72	978.37	16,097.70
949667	22,265.00	13.55	1,113.93	1,559.09	24,951.57
951223	7,350.00	81.30	391.57	543.03	8,365.90
952517	17,245.00	306.90	877.60	1,223.38	19,652.88
955895	18,975.00	1,013.31	998.39	1,342.81	22,329.51
957235	18,835.00	201.95	951.85	1,324.12	21,312.92
958664	7,830.00	39.25	393.46	548.65	8,811.36
961005	6,950.00	17.10	348.36	486.86	7,802.32
962371	17,685.00	103.91	889.22	1,239.80	19,917.93
964023	33,850.00	2,261.24	1,792.05	2,375.26	40,278.55
966093	11,825.00	4,578.05	742.38	828.77	17,974.20
967570	3,580.00	-	179.00	250.60	4,009.60
969121	19,985.00	990.40	1,042.83	1,403.23	23,421.46
972970	17,630.00	1,318.09	934.78	1,235.97	21,118.84
<b>Total</b>	<b>445,250.00</b>	<b>31,320.55</b>	<b>23,193.50</b>	<b>31,561.95</b>	<b>531,326.00</b>