

District of British Columbia
Division No. 03—Vancouver
Estate No. 11-2947968
Court No. VLC-S-B230222
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY
IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
EN ROUTE 24/7 LOGISTICS INC.**

**MADE PURSUANT TO PART III DIVISION 1 OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

DATED FOR REFERENCE DECEMBER 6, 2023
AMENDED PROPOSAL

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 DEFINITIONS

In this Proposal:

"Approval Order" means the court order made in the Insolvency Proceeding approving the Proposal and directing the implementation of the Proposal;

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

"Classes" means the two classes of creditors described in section 3.1 of this Proposal;

"CRA" means Canada Revenue Agency on behalf of His Majesty the King in right of Canada or in right of any province as represented by the Minister of National Revenue;

"Certificate of Full Performance" means the certificate to be issued by the Trustee in accordance with section 11.7 of the Proposal;

"Claims Bar Date" means the date described in section 5.4 of the Proposal;

“Completion of the Proposal” means the date upon which all of the following conditions have been met:

- (a) the Proposal is approved at the Meeting of Creditors by the requisite majority of each Class;
- (b) the Proposal is approved by the Court; and
- (c) the Debtor has satisfied its payment obligations pursuant to Article 4 of the Proposal.

“Court” means the Supreme Court of British Columbia; in bankruptcy;

“Creditor” means a Person having a Provable Claim;

“Crown Creditors” means the crown in right of Canada or the province of British Columbia, with respect to the GST Claim and EHT Claim respectively;

“Debtor” means En Route 24/7 Logistics Inc.;

“Default Period” means the date described in Article 10 of this proposal;

“EHT” means the *Employer Health Tax Act*, SBC 2018, c 42;

“EHT Claim” means the employer health tax under the EHT including, without limitation, all interest and penalties thereof as of the Filing Date;

“ETA” means the *Excise Tax Act*, R.S.C. 1985, C. E-15, as amended;

“Filing Date” means May 25, 2023 being the date when the Notice of Intention to File a Proposal was filed;

“GST” means goods and service tax obligations under the ETA including, without limitation, all interest and penalties thereof as of the Filing Date;

“GST Claim” means the deemed trust for GST that is the subject of s. 222 of the ETA, including, without limitation, all interest and penalties thereof that are outstanding as of the Filing Date;

“Insolvency Proceeding” means the proceeding commenced by the Debtor under the BIA under Estate No. 11-2947968, and any proceedings commenced in relation to that estate in the Vancouver Registry of the Court;

“ITA” means *Income Tax Act*, R.S.C. 1985 c. 1. as amended;

“Meeting” means the meeting of the Creditors to be held pursuant to Section 51(1) of the BIA for the purpose of considering, and if thought fit, voting to approve this Proposal, as same may be amended at any such Meeting, and agreeing to the compromise and arrangement constituted

thereby, and any adjournment thereof;

"Person" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, a bank, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity having a Provable Claim;

"Preferred Creditor" means all creditors entitled to priority over the Creditors pursuant to Section 136 of the BIA;

"Proof of Claim" means the prescribed form of document required under the BIA to evidence the Provable Claim of a Creditor under Part III of the BIA prior to the date of the Meeting;

"Property" means any right, title or interest of the Debtor in any type of property, whether situate in Canada or elsewhere, and includes, money, goods, thing in action, land, and every description of property, whether real or personal, legal or equitable, as well as obligations, easement and every description of estate, interest, profit, present or future, vested or contingent in, arising out of or incident to property;

"Proposal" means this Proposal among the Debtor and its Creditors, as from time to time amended, modified or supplemented as permitted by the terms of this Proposal;

"Provable Claim" means a claim for an amount alleged by a Person to be owed to it, or any obligation, enforceable right, duty or liability, contingent or otherwise, (including any claim whether contingent or accrued on behalf of CRA), or any cause of action against the Debtor or its assets and Property calculated either as at the Filing Date or in the case of claims under executory contracts arising subsequent to the Filing Date, or claims arising after the Filing Date in respect of obligations incurred prior to the Filing Date but does not include the claim of the Secured Creditor. Without limiting the generality of the foregoing but for greater certainty, a Provable Claim includes all taxes, interest and penalties that may or are payable to CRA with respect to the Debtor pursuant to the ITA and ETA up to and including the Filing Date regardless of the applicable taxation year or date of assessment, reassessment or imposition thereof;

"Proven Claim" means a Provable Claim that is the subject of a Proof of Claim and that has been filed with the Trustee in accordance with the Proposal and has either been accepted by the Debtor or has been allowed by the Court, in whole or in part;

"Release" means the release described in section 11.1 of the Proposal;

"Reviewable Transactions" means transactions of the kind described in sections 95 to 101 of the BIA;

"Trustee" means Crowe MacKay & Company Ltd., appointed as Trustee of the Proposal in the Insolvency Proceeding;

"Secured Creditor" means LPCA Fleet Management Ltd, which registered a security interest with respect to the Debtor at the Personal Property Registry of British Columbia prior to the Filing Date; and

“Superintendent’s Levy” means the obligation described in Section 4.5 of the Proposal.

“Unsecured Creditor” means a Creditor but does not include Crown Creditors or Secured Creditors.

1.2 HEADINGS

The division of the Proposal into Sections and the insertion of headings are for convenience only and do not form part of the Proposal and will not be used to interpret, define or limit the scope, extent or intent of the Proposal.

1.3 SECTIONS AND ARTICLE REFERENCE

Unless otherwise specified, references in the Proposal to "Sections", and "Articles" are to sections and articles of this Proposal.

1.4 STATUTORY REFERENCE

Unless otherwise specified, each reference to a statute is deemed to be a reference to that statute and to the regulations made under that statute, as amended or re-enacted from time to time.

1.5 NUMBER AND GENDER

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.6 CURRENCY

All references to amounts of money means lawful currency of the Dominion of Canada unless otherwise expressly indicated. All Proofs of Claim submitted by Creditors in U.S. dollars will be converted to Canadian dollars at the rate of exchange applicable at the Filing Date.

ARTICLE 2 PURPOSE AND EFFECT OF THE PROPOSAL

2.1 PURPOSE OF THE PROPOSAL

The purpose of the Proposal is to permit the Debtor to settle payment of its liabilities arising before the Filing Date and to compromise the indebtedness owed to the Creditors on a fair and equitable basis.

2.2 EFFECT OF THE PROPOSAL

The effect of the Proposal is that all Provable Claims, unless explicitly excluded, shall be Released upon Completion of the Proposal.

2.3 TRUSTEE UNDER THE PROPOSAL

Subject to the provisions of the BIA the Trustee shall act as the administrator for all purposes connected with the Proposal including management of the claims process, administration of the Meeting (unless directed otherwise by the Official Receiver) and any adjournments thereto and distribution of dividends to the Creditors with a Proven Claim.

ARTICLE 3 CREDITOR CLASSES AND PRIORITY OF PAYMENTS

3.1 CLASSES OF CREDITORS

This Proposal shall consist of the following two classes of creditors:

- a. A class comprising Unsecured Creditors; and
- b. A class comprising Crown Creditors.

each of which shall be entitled to consider and vote on the Proposal.

ARTICLE 4 PAYMENT OBLIGATIONS

4.1 PREFERRED PAYMENTS IN PRIORITY TO ALL OTHER CREDITORS UNDER THE PROPOSAL

The Trustee shall make the following preferred payments from the amounts paid to the Trustee pursuant to this Proposal before making any distribution to the Creditors:

- (a) Provision for payment of all proper fees, expenses and legal costs (the "Trustee's Fees") of the Trustee, of and incidental to the proceedings arising in the Insolvency Proceeding together with such fees of the Trustee incidental to and arising from the preparation of the Proposal shall be paid in full in priority to the claim of the Creditors. All payments of the Trustee's fees are subject to taxation;
- (b) Payment of the claims of employees as set out in section 136(1)(d) of the BIA, if any, shall be paid forthwith after the Approval Order; and
- (c) All other preferred claims are to be paid in priority to all claims of Creditors pursuant to sections 60(1) and 136 of the BIA.

4.2 PAYMENTS TO CRA OF DEEMED TRUST UNDER ITA

CRA shall be paid directly from the Debtor in respect of any amounts due to His Majesty the King in Right of Canada or a Province of a kind which could be subject to a demand under subsection 224(1.2) of the ITA or under any substantially similar provision of provincial legislation and that were outstanding as of the Filing Date. These payments shall be made within six (6) months of the Approval Order, or such longer period as may be agreed to by CRA.

4.3 PAYMENTS OF CROWN CLAIMS

Commencing after Court approval of the Proposal, the Company will make the following payments to Trustee on account of the Crown Claims:

- i. \$22,000 in each quarter of each year on or before the last day of the months of February, May, August, and November;
- ii. the above quarterly payments will be made until such time that the Crown Claims are repaid in full; and,
- iii. the Trustee shall make interim dividend payments net of the Superintendent's levy to the Crown Creditors following the last day of each August and Commencing after the Approval Order.

4.4 PAYMENTS TO UNSECURED CREDITORS

Commencing after Court approval of the Proposal, the Company will make the following payments to Trustee on account of the claims of the Unsecured Creditors:

- i. \$7,020 in each quarter of each year until an aggregate sum of \$140,760 is paid;
- ii. the quarterly payments of \$7,020 shall be made on or before the last day of the months of January, April, July, and October in each year; and
- iii. the Trustee shall make interim dividend payments net of the Superintendent's levy to Unsecured Creditors following the last day of each July and January in each year.

4.5 PAYMENT OF SUPERINTENDENT'S LEVY

Pursuant to the provisions of the BIA and its rules, a Superintendent levy shall be deducted from all dividends issued by the Trustee pursuant to this Proposal.

ARTICLE 5 DELIVERY OF PROOFS OF CLAIM

5.1 FILING PROOFS OF CLAIM

The Creditors shall file a Proof of Claim with the Trustee by either:

- (a) delivering the Proofs of Claim for review by the Trustee and the Debtor by faxing the completed Proof of Claim to the Trustee (Attention: Derek Lai) at Fax No. (604) 687 5617 or emailing to trustee@crowemackay.ca or mailing the Proof of Claim to the address of the Trustee set out below, or
- (b) depositing the Proof of Claim with the Trustee prior to the commencement of the Meeting of Creditors.

5.2 FAILURE TO FILE PROOFS OF CLAIM PRIOR TO MEETING

If a Creditor fails to either:

- (a) deliver a Proof of Claim, to be received by the Trustee prior to 2:00 p.m. of the day before the date for the Meeting of Creditors; or

- (b) deposit a Proof of Claim with the Trustee or his nominee on or before the time for commencement of the Meeting of Creditors.

The failure by a Creditor to file a Proof of Claim by the deadline in this paragraph shall not disentitle such Creditor from receiving any future dividends to be issued under this Proposal.

5.3 DISPUTED PROOFS OF CLAIM

In the event the Debtor disputes any Proof of Claim as to entitlement to participate in any of the Classes or as to amount of the Provable Claim set out in the Proof of Claim the Trustee may:

- (a) disallow the Proof of Claim;
- (b) allow the Proof of Claim as presented for the purposes of voting at the Meeting but disallow the Proof of Claim for distribution purposes; or
- (c) allow the Proof of Claim for voting and distribution purposes in such amount as it determines appropriate.

If the Trustee disallows a Proof of Claim for any reason or allows the Proof of Claim for an amount less than that set out in the Proof of Claim, the Creditor shall be deemed to accept the determination unless the Creditor shall have filed with the Court a motion to value its Provable Claim within thirty (30) days of the date that the disallowance notice is forwarded to the Creditor by the Trustee.

5.4 CLAIMS BAR DATE

In order to share in any dividend distribution under the Proposal, Crown Creditors and Unsecured Creditors must have filed a Proof of Claim with the Trustee on or prior to the date that is thirty (30) days from the date the Trustee issues a "Notice to Prove Claim" pursuant to section 149 of the BIA (the "Claims Bar Date"). Any Creditor who does not file its Proof of Claim within that timeframe shall forever be barred from sharing in any dividend this is issued after the Claims Bar Date and prior to the filing of a Proof of Claim.

ARTICLE 6 MEETING OF THE CREDITORS

6.1 INSPECTORS

At the Meeting of the Creditors held to consider the Proposal, the Creditors may appoint one or more but not exceeding five Inspectors under the Proposal, whose duties will be restricted to the following:

- (a) to advise the Trustee in connection with its actions under this Proposal or any amendment thereto as the Trustee may, from time to time, request;

- (b) to advise the Trustee concerning any dispute which may arise as to the validity of claims of Creditors under this Proposal;
- (c) to advise the Trustee in respect of such other matters as may be referred to the Inspectors by the Trustee; and
- (d) subject to Article 10, to grant extensions of time for the Debtor to make any of the payments required by Article 4 of this Proposal except not with respect to the payment obligations described in Section 4.2 of this Proposal.

If no Inspectors are appointed under this Proposal then, subject to Article 10, the Trustee shall have the sole discretion to grant an extension of time to make the payments required by Article 4 of this Proposal except not with respect to the payment obligations described in Section 4.2 of this Proposal.

The aggregate of the Trustee's fees is subject to taxation by the Court.

The Trustee, and the Inspectors, should any be appointed, shall be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon them by the Proposal or generally in carrying out of the terms of the Proposal by wrongful act, default or neglect.

6.2 MEETING

The Meeting shall be conducted in accordance with Division 1 — General Scheme for Proposals of the BIA.

6.3 VOTING

For the purposes of voting as a member of the Classes, each Creditor shall have one vote for the purposes of determining a majority in number and each Creditor shall be entitled to one vote for each \$1.00 of its Provable Claim as allowed by the Debtor.

6.4 PROXIES AND VOTING LETTERS

Creditors will be entitled to vote at the Meeting by proxy or voting letter. The particulars with respect to voting by proxy or voting letter will be detailed in the Proof of Claim and will be binding upon all Creditors.

6.5 ADJOURNMENT OF MEETING

The Chair of the Meeting may in his or her discretion adjourn the Meeting upon such terms as are considered appropriate by the Chair upon notice to those persons present at the Meeting for the purposes of considering amendments to the Proposal contemplated in Article 7.

ARTICLE 7 AMENDMENTS AND MODIFICATIONS

7.1 AMENDMENT OF PROPOSAL

The Debtor reserves the right, with the consent of the Trustee, to amend this Proposal at any time and re-submit it to the Creditors and the Proposal may be amended among the Debtor and the Classes at any Meeting.

7.2 MODIFICATION OF PROPOSAL

After the Meeting, the Proposal may be modified from time to time:

- (a) if the amendment is considered by the Trustee and the Inspectors to be non-substantive in nature, with the approval of the Trustee and the majority of the Inspectors;
- (b) upon a vote conducted by the Trustee at a further Meeting and upon Court Approval; and
- (c) by the Court at any time on application of the Debtor or the Trustee and upon notice to those determined by the Debtor to be directly affected by the proposed modification, whether a Creditor or not.

7.3 WAIVERS

Any provision of the Proposal may be waived, with the consent of the Trustee, by a Creditor or the Class.

ARTICLE 8 APPROVAL ORDER and STAY OF PROCEEDINGS

8.1 APPLICATION FOR APPROVAL ORDER

Upon the conclusion of the Meeting if the Proposal has been approved by the Classes by the requisite percentages in relation both to numbers of Creditors and dollar amounts of Provable Claims of Creditors, the Debtor will forthwith apply to the Court for the Approval Order.

8.2 CONTINUATION OF THE STAY OF PROCEEDINGS

The stay of proceedings provided for in section 69.1(1) of the BIA will be continued in full force and effect until the Certificate of Full Performance is issued by the Trustee.

ARTICLE 9. COMPLIANCE PROVISIONS

9.1. THE DEBTOR'S TAX OBLIGATIONS

Until such date as all payment obligations described in Article 4 are paid, the Debtor shall:

- (a) file accurate and complete income tax returns as and when required to do so pursuant to the ITA, for each taxation year;
- (b) file all returns pursuant to the ETA as and when due for each taxation year; and
- (c) remit all amounts payable to the Receiver General as required by the ITA, ETA, the Canada Pension Plan, and the Employment Insurance Act, including all taxes, interest, and penalties assessed by the CRA, as and when required.

9.2 DISCLOSURE OBLIGATIONS

Until such date as all payment obligations under Article 4 are paid, the Debtor shall provide the Trustee with a copy of each Notice of Assessment or Notice of Reassessment issued to it by the CRA pursuant to the returns described in Section 9.1 of the Proposal if requested.

9.3 NOTICES OF ASSESSMENT OR REASSESSMENT

Nothing in this Proposal shall restrict or be deemed to restrict the Debtor's right to file objections to any assessments issued by the CRA or to file appeals of any assessments to the Tax Court of Canada.

ARTICLE 10 DEFAULT PERIOD

10.1 DEFAULT IN PERFORMANCE OF PROPOSAL

Where:

- (a) default is made in the performance of any provisions in this proposal;
- (b) the default is not waived by the inspectors, or if there are no inspectors, by the Trustee; and
- (c) the default is not remedied by the Debtor within 30 days (the "Default Period")

the Trustee shall within 30 days after the expiry of the Default Period, give notice to all creditors and the official receiver.

ARTICLE 11 GENERAL

11.1 RELEASE

Upon Completion of the Proposal, the following are released, discharged, settled and extinguished:

- a) all Provable Claims, actions, judicial proceedings, suits, claims, demands, debts, interest, penalties, obligations, liabilities, dues, accounts, loss, contracts, covenants; and
- b) all Reviewable Transactions.

whether express or implied, known or unknown, suspected or unsuspected, of every nature and kind whatsoever and however arising which the Creditors had, or may have had against the Debtor as of the Filing Date.

11.2 FURTHER ACTIONS

The Debtor will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Proposal to give effect to the transactions contemplated hereby.

11.3 TRUSTEE'S FEES

In addition to payment of its fees as set out in paragraph 4.1(a) above, should the Proposal fail during its term, the Trustee may claim its full time and charges arising from its administration of the Proposal in any subsequent bankruptcy.

11.4 NOTICES

All notices, Proofs of Claim, and payments required or permitted or desired to be made pursuant to the Proposal shall be in writing and shall be delivered personally or by telecopy or mail by regular or registered or certified mail, return receipt requested, to the Debtor at the following address:

c/o Crowe MacKay & Company Ltd..
1100-1177 West Hasting Street
Vancouver, BC V6E 4T5

Attention: Derek Lai & Nelson Allan

Telephone: (604) 697 5257
Facsimile: (604) 687 5617
Email: trustee@crowemackay.ca

And if to a Creditor or Claimant, at its address set forth in the last Proof of Claim deposited with the Debtor.

11.5 DEEMING PROVISIONS

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

11.6 SUCCESSORS AND ASSIGNS

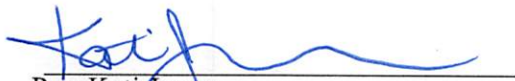
This Proposal is binding upon the Debtor, the Creditors and their respective heirs, executors, administrators, successors and assigns.

11.7 CERTIFICATE OF FULL PERFORMANCE

The Trustee shall issue a Certificate of Full Performance following receipt of all the payments required to be made by the Debtor under this Proposal.

SIGNED at the City of Vancouver in the Province of British Columbia, the 11 day of December, 2023.

En Route 24/7 Logistics Inc.



Per: Kati Jensen,
Authorized signatory



Witness