LAURENTIAN UNIVERSITY OF SUDBURY

INFORMATION CIRCULAR
WITH RESPECT TO A
PLAN OF COMPROMISE AND ARRANGEMENT

pursuant to the *Companies' Creditors Arrangement Act* (Canada)
concerning, affecting and involving Laurentian University of Sudbury

July 21, 2022

This circular is being sent to the creditors of Laurentian University of Sudbury in connection with a meeting called to consider its plan of compromise and arrangement dated July 21, 2022 (as may be amended) that is scheduled to be held on September 14, 2022 at 10:00 a.m (Eastern Time).

These materials require your immediate attention. You should consult your legal, financial, tax and other professional advisors in connection with the contents of these documents. *If you have any questions regarding voting procedures or other matters or if you wish to obtain additional copies of these materials, you may contact the court-appointed monitor, Ernst & Young Inc., by telephone at (416) 943-3057 or +1(888)338-1766 (toll-free) or by email at LaurentianUniversity.Monitor@ca.ey.com Copies of these materials and other materials in the within proceedings are also posted on the following website: www.ey.com/ca/Laurentian.*

LAURENTIAN UNIVERSITY OF SUDBURY

July 21, 2022

TO: The Affected Creditors of Laurentian University of Sudbury ("**Laurentian**")

A meeting of certain affected creditors of Laurentian (as defined in the Plan, "**Affected Creditors**") is scheduled for September 14, 2022, to vote on Laurentian's plan of compromise and arrangement (as may be amended from time to time, the "**Plan**") pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**"). This Information Circular (the "**Circular**") describes the circumstances that led to Laurentian's CCAA filing, explains the terms of the Plan and describes the outcome for Affected Creditors if the Plan is approved, and if the Plan is not approved. You will see a number of capitalized terms in this letter and in the Circular. Each capitalized term has a specific meaning which is defined in the "Glossary of Terms" attached as Appendix A to this Circular, and you are encouraged to refer to that Appendix in order to understand the defined terms.

The Province of Ontario has indicated that it is prepared to purchase real estate currently owned by Laurentian for an aggregate purchase price of up to \$53.5 million to support the completion of the Plan and Laurentian's emergence from CCAA protection. This support is subject to conditions, including final government approvals and the Plan being approved by Affected Creditors at the Meeting and subsequently by the Court. Under the Plan, the proceeds of sale will be paid into the Distribution Pool. After payment in full of each of the CCAA Priority Claims, Secured Claims and Vacation Pay Compensation Claims, all Affected Creditors with Proven Claims will share the remaining funds in the Distribution Pool *pro rata* based on the relative size of their claims. The Plan provides for any sale transactions to be completed within four (4) years of the Plan Implementation Date.

The Plan represents the culmination of Laurentian's restructuring efforts over the past eighteen months, which includes significant efforts from its many stakeholders to allow this to occur. The purpose of the Plan is to restructure and compromise Laurentian's liabilities, so that it can continue as a viable bilingual and tri-cultural provider of post-secondary education in Northern Ontario.

Laurentian is a critical part of Northern Ontario's community and plays a significant role in its economic well-being and cultural diversity. Emerging from the CCAA proceeding as a viable and financially sustainable institution will benefit Laurentian's students, employees, suppliers and the community at large.

Affected Creditors will receive a greater financial return from implementation of the Plan than any other alternative, and the financial support that has been offered by the Province of Ontario is conditional upon Laurentian successfully emerging from the CCAA proceeding. For that to occur, the Plan must be approved by Affected Creditors at the Meeting that is being held for that purpose.

It is anticipated that **after payment in full** of each of the CCAA Priority Claims, Secured Claims and Vacation Pay Compensation Claims, each Affected Creditor with a Proven Claim will receive a distribution **in the range of 14.1% - 24.2%** of their **Affected Claim**. The exact amount of this distribution, and the timing of payment, depends on a variety of factors described in the Circular.

The court-appointed Monitor has prepared an analysis of what creditors would likely receive in a liquidation scenario if the Plan was not approved. The range of recovery for Affected Creditors in a liquidation scenario (if the Plan is not approved) is anticipated to **be between 8.5% - 16.7%**. Accordingly, the Board of Governors of Laurentian and the independent Court-appointed Monitor recommend that all Affected Creditors vote **FOR** (in favour of) the Resolution to approve the Plan.

We are asking all of Laurentian's Affected Creditors to approve the Plan so that Laurentian can emerge from the CCAA proceedings and continue as a leading provider of post-secondary education in Northern Ontario. A proxy form is included in this package and can be used to vote without attending the Meeting. The proxy must be submitted to the Monitor by no later than September 9, 2022 to be valid. In addition, Affected Creditors will be provided with a pre-registration form, which must be completed by those Affected Creditors wishing to participate in the Meeting in order to gain access and be able to vote at the meeting of creditors.

All Affected Creditors should review the accompanying Circular and consult their own advisors. The Board of Governors of the Applicant and the independent court-appointed Monitor recommend that all Affected Creditors vote to approve the Plan. If the required majority of Affected Creditors approves the Plan, Laurentian will seek Court approval of the Plan on or about October 5, 2022, and we expect to be able to implement the Plan and emerge from the CCAA proceeding in the Fall, 2022.

Yours truly,

Dr. Robert Haché
President and Vice Chancellor

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INFORMATION CIRCULAR

DISCLAIMER

This Circular is provided in connection with the solicitation of proxies by and on behalf of the Applicant for use at the Meeting of Affected Creditors to be held on September 14, 2022. This Circular contains important information that should be read before any decision is made with respect to the matters referred to herein. All summaries of and references to the Plan in this Circular are qualified in their entirety by references to the text of the Plan, which is included at Appendix "C" to this Circular. All summaries of, and references to other documents in connection with the Plan, are qualified in their entirety by the actual documentation. The Plan and such other documents may, in accordance with their terms, be amended or supplemented. Capitalized terms, except as otherwise defined herein, are defined in the "Glossary of Terms", included at Appendix "A" to this Circular.

Information in this Circular is given as at July 21, 2022 unless otherwise indicated.

For your convenience and information only, responses to a series of "Frequently Asked Questions" ("**FAQs**") are provided within this Circular. **The FAQs are provided for the reader's assistance and convenience. By necessity, the FAQs represent a summary of the terms of the Plan and cannot be considered in place of a full review of the Plan and this Circular.**

No Person is authorized to give any information or to make any representation not contained or incorporated by reference in this Circular and, if given or made, such information or representation should not be relied upon. This Circular does not constitute the solicitation of a proxy in any jurisdiction in which such a solicitation is not authorized, or to or from any Person to or from whom it is unlawful to make such proxy solicitation. The delivery of this Circular will not, under any circumstances, create any implication that there has been no change in the information set forth herein since July 21, 2022.

THIS CIRCULAR DOES NOT ADDRESS INCOME TAX CONSEQUENCES TO CREDITORS RESULTING FROM THEIR PARTICIPATION IN THE PLAN AND ALL PERSONS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE INCOME TAX CONSEQUENCES OF THEIR PARTICIPATION IN THE PLAN. CREDITORS SHOULD NOT VIEW THE CONTENTS OF THIS CIRCULAR AS INVESTMENT, LEGAL OR TAX ADVICE. CREDITORS SHOULD CONSULT THEIR OWN COUNSEL, ACCOUNTANTS AND OTHER ADVISORS AS TO ANY LEGAL, TAX, BUSINESS, FINANCIAL AND RELATED ASPECTS OF THE PLAN.

This document uses a number of capitalized terms, all of which have defined meanings that can be found in the glossary of terms attached at Appendix "A". To fully understand the capitalized terms, please refer to the definitions that are found at Appendix "A".

Summary of the Meeting and the Plan

The following is a summary of certain information contained elsewhere in this Circular. This summary is included for convenience only and is qualified in its entirety by the more detailed information contained elsewhere in this Circular, including the terms of the Plan, which should be read by all Affected Creditors to determine whether to approve the Plan. Unless otherwise indicated, terms defined in the Glossary have the same meaning in this summary.

Meeting

A virtual meeting of the Affected Creditors will be held on September 14, 2022 at 10:00 a.m. Eastern Time. The purpose of the Meeting is to consider and to vote on the Plan proposed by the Applicant under the CCAA. A copy of the resolution to approve the Plan (the "**Resolution**") is set out at Appendix "B" to this Circular. A copy of the Plan is set out at Appendix "C" to this Circular.

The Plan

The Plan contemplates the creation of a pool of cash of up to $53.5 million from the sale of real estate to the Province of Ontario. The Distribution Pool will be used to fund distributions to the Applicant's creditors. The CCAA Priority Claims, Secured Claims and Vacation Pay Compensation Claims (as defined in this Circular and the Plan) will be paid in full immediately after implementation of the Plan.[1] The balance of the Distribution Pool will be paid on a *pro rata* basis to the Affected Creditors. All references in this Circular to a potential range and percentage recovery to Affected Creditors under the Plan <u>already takes into account the prior payment in full</u> of the CCAA Priority Claims, Security Claims and Vacation Pay Compensation Claims.

Estimated Distributions

After payment in full of the CCAA Priority Claims, Secured Claims and Vacation Pay Compensation Claims, Affected Creditors are expected to receive a distribution in the range of 14.1% - 24.2% of the amount of their Proven Claim. The exact amount is subject to a variety of factors, which are described in this Circular at section VII.

Implementation of the Plan will generate the highest realizable value for Creditors given the available alternatives. Failure to implement the Plan could result in Creditors receiving significantly less value.

An Affected Creditor is any person holding:

(a) a Pre-Filing Claim;

(b) a Restructuring Claim;

[1] Subject to receipt of confirmation from Employment and Social Development Canada and any deduction or withholding requirements required by applicable law.

(c) a D&O Claim (that is not an Excluded D&O Claim); and

(d) a Compensation Claim (other than a Vacation Pay Compensation Claim).

The following claims are Unaffected Claims:

(a) CCAA Priority Claims;

(b) Vacation Pay Compensation Claims;

(c) An Insured Claim

(d) Excluded D&O Claims; or

(e) Secured Claims.

Some creditors may hold more than one type of claim. For example, a terminated employee may hold both a Vacation Pay Compensation Claim and an additional Compensation Claim. Such a creditor would be an Unaffected Creditor with respect to its Vacation Pay Compensation Claim and an Affected Creditor with respect to the balance of its Compensation Claim. The treatment of each claim under the Plan is not based on, or determined by, who holds the claim. For example, a creditor holding a Vacation Pay Compensation Claim will receive payment in full for such claim. That same creditor may also receive one or more *pro rata* distributions from the Distribution Pool in respect of the balance of its Compensation Claim.

Voting

You will be able to cast your vote to approve or reject the Plan at a Meeting to be held on September 14, 2022. Instructions on how to attend and participate in the Meeting, including on how to vote, will be provided to you. Affected Creditors are able to vote on the Plan in advance of the Meeting by completing and submitting a proxy to the Monitor.

Conditions to Implementation of the Plan

Implementation of the Plan is subject to the satisfaction or waiver of the following conditions:

(a) the Plan will have been approved by the Affected Creditors of the Applicant in accordance with the provisions of the Meeting Order and the CCAA;

(b) the Sanction Order must have been issued by the Court;

(c) all Pre-Filing Grievances, Restructuring Grievances, and Material Post-Filing Grievances have been fully resolved or withdrawn by the applicable Union;

(d) the Exit Financing Documentation has been executed, delivered and become effective;

(e) all indebtedness and obligations under the DIP Facility have been fully and permanently repaid to the DIP Lender from the proceeds of the Exit Financing;

(f) the renewal of certain senior management of the Applicant shall become effective no later than immediately prior to the Effective Date, with any such claims arising therefrom having been calculated in accordance with the Compensation Claims Process Order and constituting an Affected Claim thereunder;

(g) all relevant Persons will have executed, delivered and filed all documents and other instruments that, in the opinion of the Applicant, acting reasonably, are necessary to implement the provisions of the Plan or the Sanction Order;

(h) there will have been no material adverse change to the Business or the assets of the Applicant, in the view of the Monitor;

(i) no action or proceeding will be pending by any third party to enjoin or prohibit the transactions contemplated by the Plan; and

(j) all applicable approvals and orders of, and all applicable submissions and filings with, Governmental Authorities having jurisdiction for the completion of the steps and transactions contemplated by the Plan (including the steps and transactions which are Plan Implementation Conditions) will have been obtained or made, as the case may be, in each case to the extent deemed necessary or advisable by the Applicant, in form and substance satisfactory to the Applicant.

If the Required Majority of Affected Creditors vote for approval of the Plan at the Meeting, the Court hearing seeking approval of the Sanction Order will take place on October 5, 2022, or as soon thereafter as possible. At the hearing, any Person (other than the Applicant or the Monitor) that is not on the Service List and that wishes to receive materials in respect of, and appear at, the Sanction Hearing, shall serve upon the lawyers for each of the Applicant and the Monitor a request to be added to the Service List in these proceedings by no later than five (5) calendar days prior to the Sanction Hearing. Any Person who wishes to oppose the motion for the Sanction Order shall serve upon the lawyers for each of the Applicant and the Monitor and upon all other parties on the Service List, and file with the Court, a copy of the materials to be used to oppose the motion for the Sanction Order by no later than three (3) calendar days prior to the Sanction Hearing.

Timing to Plan Implementation

The Applicant's proposed timeline to complete the final steps in the CCAA Proceeding is set out below:

September 14, 2022	Meeting to vote on the Plan
October 5, 2022	Court Motion for Sanction Order

The Plan Implementation Date will occur as soon as possible following the Sanction Order and satisfaction of all Plan Implementation Conditions.

Payment in full of the CCAA Priority Claims, Secured Claims and Vacation Pay Compensation Claims will be made immediately after the Plan Implementation Date.[2] However, distributions to Affected Creditors will occur over time and on a periodic basis, as real estate transactions are completed by the Province and proceeds of sale are paid into the Distribution Pool.

Risk Factors

The future success of the Applicant is subject to many variables and risks, even if the restructuring of the Applicant facilitated by the Plan is successful. Those risks are discussed in detail in this Circular.

Tax Considerations

Distributions to Creditors pursuant to the Plan may have income tax consequences for such Creditors. This Circular does not address income tax consequences to Creditors of their participation in the Plan and all persons are urged to consult their own tax advisors regarding the income tax consequences of their participation in the Plan.

Additional Information and Inquiries

If you have any questions regarding voting procedures or other matters or if you wish to obtain additional copies of these materials, you may contact the Monitor by telephone at 416-943-3057 or 1-888-338-1766 (toll-free) or by email at: LaurentianUniversity.Monitor@ca.ey.com. Copies of these materials and other materials in these proceedings are also posted on the following website: www.ey.com/ca/Laurentian.

[2] Subject to receipt of confirmation from Employment and Social Development Canada and any deduction or withholding requirements required by applicable law.

FREQUENTLY ASKED QUESTIONS

1. What does the Plan provide?

The Plan provides for the distribution to Creditors with Proven Claims of up to $53.5 million (with a minimum requirement of $45.5 million) from the sale of real estate currently owned by Laurentian to the Province of Ontario. The Plan allows Laurentian to emerge from the CCAA proceeding as a going concern that will continue to offer quality post-secondary education in Northern Ontario for the benefit of its students, employees, suppliers and the community at large.

2. Where can I find a copy of the Plan?

The Plan is attached to this Circular at Appendix "C". A copy of the Plan can also be found on the Monitor's website at www.ey.com/ca/Laurentian.

3. When do I get to vote on the Plan?

Affected Creditors and holders of Unresolved Claims can vote on the Plan at the Meeting or, in advance, by filing a proxy with the Monitor. The Meeting will be held virtually and is scheduled for 10:00 a.m. Eastern Time on September 14, 2022. The Monitor will send each Affected Creditor a package setting forth the details of the Meeting and providing instructions on how to attend the Meeting and participate in the vote. If you are an Affected Creditor and have not received your package by August 11, 2022, you can contact the Monitor by telephone at 416-943-3057 or 1-888-338-1766 (toll-free) or by email at: LaurentianUniversity.Monitor@ca.ey.com.

4. When do creditors get paid?

Creditors with CCAA Priority Claims, Secured Claims, and Vacation Pay Compensation Claims will be paid those amounts in full, immediately after the Plan Implementation Date.[3] The package you receive from the Monitor will indicate whether you have one of those priority claims, and if so, what the amount is that you will be paid. That package will also indicate if you have an Affected Claim, and what the amount of that claim is. Creditors with Affected Claims will receive one or more payments on a rolling basis over a period of time based on when the sales of real estate to the Province are completed. Assuming the Guaranteed Minimum Plan Consideration Amount ($45.5 million) is achieved through the sale of real estate to the Province, Affected Creditors would be expected to receive payment in full within four (4) years after the Plan Implementation Date, subject to any further brief period of time required by the Monitor to calculate and issue payments. The timing of the real estate sales to the Province is subject to a variety of factors, including how long the Province requires to identify the real estate it intends to purchase, undertake the necessary due diligence and obtain all required governmental approvals. If the Guaranteed Minimum Plan Consideration Amount ($45.5 million) is ultimately not achieved through the sale of real estate to the Province within four (4) years from the Plan Implementation Date, Laurentian will have one

[3] Subject to receipt of confirmation from Employment and Social Development Canada and any deduction or withholding requirements required by applicable law.

year within which to pay the balance into the Distribution Pool for the benefit of Affected Creditors with Proven Claims.

5. How much will I get paid?

If you have a CCAA Priority Claim, a Secured Claim or a Vacation Pay Compensation Claim, you will receive payment in full of those amounts (subject to any deduction or withholding requirement required by applicable law).

If you have an Affected Claim, you will receive payments that provide for partial recovery of your claim amount. You will receive your share of the distributions from the proceeds of the real estate sales, after the payment of priority claims, on a *pro rata* basis (i.e., based on the relative size of your claim compared with the claims of the other Affected Creditors).

It is anticipated that Affected Creditors will receive payment in the range of 14.1% - 24.2% of their Affected Claim under the Plan. The exact amount cannot be determined at this time and is subject to a number of factors described in the Circular.

6. What does *pro rata* payments mean?

A *pro rata*, *pari passu* distribution means that all Affected Creditors have the same priority of payment (*pari passu*), and the amount of the payment is determined by reference to the proportional amount of each Affected Creditor's Proven Claim relative to all others (*pro rata*). For illustrative purposes, the following example is provided:

- Creditor A has a Proven Claim of $50
- Creditor B has a Proven Claim of $100
- There is only $75 available to pay the Proven Claims of both Creditor A and Creditor B
- Creditor A and Creditor B will share the $75 on a *pro rata* basis, meaning that Creditor A would receive $25 and Creditor B would receive $50

7. What if I have an Affected Claim and an Unaffected Claim?

When you receive the package in the mail from the Monitor showing the amount and type of claim that you have, it may show that you hold more than one type of claim. For example, a terminated employee may hold both a Vacation Pay Compensation Claim and an additional Compensation Claim. That creditor would be an Unaffected Creditor with respect to its Vacation Pay Compensation Claim and an Affected Creditor with respect to the balance of its Compensation Claim. The treatment of each claim under the Plan is not based on, or determined by, who holds the claim. For example, a creditor holding a Vacation Pay Compensation Claim will receive payment in full for that claim. The same creditor may receive one or more *pro rata* distributions from the Distribution Pool in respect of the balance of its Compensation Claim.

8. Are there any deductions made to the amounts distributed by creditors?

All distributions made pursuant to the Plan are, by law, made as if they are payments on account of the underlying nature of the Claim. Accordingly, distributions are subject to any amounts required to be deducted or withheld and remitted to any governmental authority or any other person. In respect of Compensation Claims, these amounts may include source deductions such as income tax, Canada Pension Plan and Employment Insurance contributions. In addition, amounts required to be deducted by Employment and Social Development Canada pursuant to the *Employment Insurance Act* (Canada) will also be deducted. In respect of all Creditors, any Creditor whose address on file with Laurentian or the Monitor is not a Canadian address will be treated as a non-resident of Canada for purposes of any non-resident withholding tax, subject to the receipt by the Monitor of sufficient documentation, in the Monitor's sole discretion that such Creditor is not a non-resident. No gross up or additional amount will be paid to any Creditor in respect of any amounts deducted or withheld for any reason.

9. Why aren't employee claims getting paid ahead of other creditors?

The CCAA provides that only certain types or portions of claims have legal priority status and must get paid in full in priority to other creditors. Other claims without legal priority status generally receive *pro rata* recovery based on the relative size of each creditor's claim. In this case, the first $2,000 of each former employees' claim for unpaid vacation pay is a priority claim. The Plan also provides for payment on a priority basis of the full amount of unpaid vacation pay, not just the first $2,000 of each employee's claim for unpaid vacation pay. All other employee claims rank as unsecured claims under law and will be paid out proportionally with other unsecured claims as Affected Claims.

10. How many votes are required for the Plan to be approved?

For the Plan to pass, it must be approved by a majority in number of the Affected Creditors who are present and voting (either at the virtual Meeting or by submitting a written proxy) representing at least two-thirds of the total dollar value of the Proven Claims of Affected Creditors who are present and voting.

11. How do I vote on the Plan?

Affected Creditors and holders of Unresolved Claims can vote in one of three ways:

(i) Affected Creditors and holders of Unresolved Claims can fill in a proxy form and send it to the Monitor by no later than September 9, 2022 indicating (a) whether they vote in favour of or against the Plan and (b) appointing the Monitor as proxyholder to register the vote at the Meeting. The Affected Creditor or holder of an Unresolved Claim may also submit a registration form to obtain access details to attend the virtual Meeting if they would like to do so. However, even if they don't attend the Meeting, the Monitor will act as proxyholder and ensure that the vote (as marked on the form by the claimant, whether for or against the Plan) is registered at the Meeting in accordance with the proxy submitted. If the proxy form appoints the Monitor as proxyholder but does not specify whether the vote is for or against the Plan, the Monitor will vote for (in favour of) the Plan; or

(ii) Affected Creditors and holders of Unresolved Claims can fill in a proxy form and send it to the Monitor by no later than September 9, 2022 appointing someone other than the Monitor to register their vote at the meeting. In this case, the proxyholder must submit a registration form and must be in attendance at the Meeting to ensure the vote is registered. The proxyholder will be attending the Meeting in place of the Affected Creditor or holder of Unresolved Claim and in that case, only the proxyholder will be permitted to attend. If the proxy form filed by the Affected Creditor or holder of an Unresolved Claim indicates whether they vote in favour of or against the Plan, the proxyholder must cast the vote in accordance with those instructions. If the proxy form filed by the Affected Creditor or holder of an Unresolved Claim does not indicate whether they vote in favour of or against the Plan, the proxyholder may exercise its discretion with respect to the vote; or

(iii) Affected Creditors and holders of Unresolved Claims can fill in a pre-registration form to obtain access details to attend the virtual meeting themselves and vote at the Meeting without having submitted a proxy in advance. In this case, the Affected Creditor or holder of Unresolved Claim must be in attendance at the Meeting in order to register the vote.

Please note that if the Monitor is named as proxyholder, the Affected Creditor's or holder of Unresolved Claim's vote will be registered at the Meeting in all circumstances. If a proxy is not submitted or another individual is named as proxyholder, the Affected Creditor, holder of Unresolved Claim or their proxyholder will need to be present at the Meeting and register the vote or it will not be counted.

No accommodation will be made for Affected Creditors, holders of Unresolved Claims, or their proxyholders that are unable to access the virtual Meeting and/or register their vote at the Meeting due to technical issues or for any other reason. Accordingly, even if you intend to submit a registration form and attend the Meeting, it is strongly recommended that you submit your vote in advance by proxy, and name the Monitor as proxyholder to ensure that your vote is counted.

12. Who is entitled to attend the Meeting?

Only Affected Creditors, holders of Unresolved Claims, OR their proxyholders will be eligible to attend the Meeting and vote on the Resolution to approve the Plan. If an Affected Creditor or holder of an Unresolved Claim names someone other than the Monitor as their proxy, only the proxyholder (in place of the Affected Creditor or holder of an Unresolved Claim) may attend the Meeting and vote on the Resolution to approve the Plan. If an Affected Creditor or holder of Unresolved Claim names the Monitor as proxyholder, the Affected Creditor or holder of Unresolved Claim can still attend the Meeting.

13. If the Plan is approved, what happens next?

If the Plan is approved by the Affected Creditors, Laurentian will seek approval of the Plan by the Court on October 5, 2022. Once Court approval is obtained and the Plan Implementation Conditions have been satisfied, the Plan Implementation Date will occur.

14. What is the alternative to the Plan?

If Laurentian cannot obtain the necessary support of its Affected Creditors to the Plan, it will be unable to resolve and settle its substantial debts. As a result, it is expected that the university will cease operating and will commence a liquidation process which would include a sale of all assets including all buildings and real estate. Laurentian has no ability to offer any additional recovery to Affected Creditors other than what is offered under the Plan.

The range of recovery for Affected Creditors in a liquidation is expected to be less than what those creditors could receive under the Plan. In addition, the financial support that has been offered by the Province is conditional upon, and only available in the event that the Plan is approved and implemented – not in any other scenario. If there is a liquidation, and all operations of the university cease, it is expected that this would have a significant negative impact on students, employees, the City of Sudbury and the community at large.

15. What is the impact if the Plan does not get approved and there is a liquidation?

In a liquidation, students would be required to transfer to other universities and all faculty and staff would be terminated, other than a small group retained for a period of time to assist with the transition of students, including the provision of transcripts upon request, as well as assisting with the maintenance of assets. There would be inadequate funds available to pay the termination and severance claims of all terminated faculty and staff (including those terminated during the CCAA restructuring) in full and such claims would constitute unsecured claims. The vacation pay claims of all terminated employees (including those terminated during the CCAA restructuring) would be limited to a priority claim of $2,000 with the remaining vacation pay claim constituting an unsecured claim.

In addition, a liquidation of the university would result in a wind-up of Laurentian's defined benefit pension plan. There is currently a substantial hypothetical wind-up deficit of approximately $200 million. It is expected that an administrator would be appointed to wind-up the pension plan and such wind-up will involve a reduction in pension benefits for many current and future retirees, as a result of the funding deficiency.

16. What if I have additional questions?

To the extent there are supplemental FAQs, they will be posted on the Monitor's Website. All interested parties are encouraged to frequently check the Monitor's Website for further information and answers to additional frequently asked questions.

I. Background Leading to the Plan

General

On March 28, 1960, Laurentian was incorporated pursuant to *An Act to Incorporate Laurentian University of Sudbury*, S.O. 1960, c. 151 C. 154. For over 60 years, Laurentian University of Sudbury (the "**Applicant** or **Laurentian**") has operated as a publicly funded, bilingual and tricultural post-secondary institution in Northern Ontario, providing high-quality, postsecondary education to domestic and international undergraduate and graduate students.

Laurentian is located within the territory of the Robinson-Huron Treaty of 1850, and recognizes its placement on the traditional lands of the Atikameksheng Anishnawbek, as well as its proximity to Wahnapitae First Nation. As Canada's only university with a tricultural mandate, Laurentian offers an outstanding higher education and research experience in English and French, with a comprehensive approach to Indigenous education.

Laurentian is located in the City of Greater Sudbury and is considered a lifeblood for the city and Northern Ontario. The university is consistently one of the largest employers in Sudbury. In the 2021/2022 academic year, Laurentian had approximately 6,000 full-time equivalent undergraduate and graduate students enrolled and employed over 1,500 people. Laurentian has played a critical role in the Northern Ontario economy and culture for many years.

Laurentian is an "access" university. It has gained recognition for its ability to provide access to post-secondary education to a diverse student body. Over 13% of the student population self-identify as Indigenous and approximately 21% of the student population are enrolled in a French-language program. Laurentian holds the highest post-graduation employment rate in the Province, and has consistently ranked in the top three among Ontario universities on that metric for more than a decade

Many students who attend Laurentian from outside of the Greater Sudbury area end up staying in the area, further driving the Northern Ontario economy. It is estimated that as many as 65% of its alumni continue to reside in Northern Ontario after graduation, where they go on to make significant contributions to the culture and economy of this vast geographic region.

Laurentian has developed an international reputation for research excellence and has ranked #1 for total sponsored research income amongst primary undergraduate universities in Canada for the last four years. It has a strong national, provincial and regional impact with focused strengths in mining, minerals exploration, environmental stewardship, northern, rural and occupational health, Indigenous and ally-led research, and interdisciplinarity.

Laurentian is a non-share capital corporation and a registered charity pursuant to the *Income Tax Act*. Laurentian's governance structure is bi-cameral. The Board of Governors and the President and Vice-Chancellor generally have powers over the operational and financial management of Laurentian, whereas Laurentian's Senate is responsible for the academic policy of Laurentian.

Laurentian's employees are largely represented by Laurentian's two major unions: the Laurentian University Faculty Association ("**LUFA**") and the Laurentian University Staff Union ("**LUSU**"). LUFA represents both full-time faculty and sessional faculty or health care professionals. LUSU represents non-faculty staff, including employees of Laurentian in clerical, technical, administrative, service and security work. Laurentian has collective agreements in place with LUFA and LUSU, expiring on June 30, 2025 and June 30, 2024, respectively. The graduate teaching assistants at Laurentian are represented by the Canadian Union of Public Employees. The remainder of Laurentian's full-time employees who are not represented by a union include senior leadership employees, and administrative and professional staff, mostly those in managerial roles. The managerial and non-managerial employees are considered part of an informal association that known as the Laurentian University Administrative and Professional Staff Association ("**LUAPSA**").

Laurentian is also the administrator of the Primary Retirement Plan for Laurentian University (the "**Pension Plan**"). The Pension Plan is a single-employer defined benefit pension plan for all eligible employees of Laurentian. Pursuant to the Pension Plan, all full-time employees of Laurentian who are employed on a continuous full-time basis must participate in the Pension Plan. Other employees who are not full-time employees may elect to join the Pension Plan once such employee has been continuously employed for at least two years and the employee meets certain minimum salary or employment hour requirements.

Prior to the CCAA Proceeding, Laurentian was in a federated relationship with three universities: the University of Sudbury, Thorneloe University, and Huntington University (collectively, the "**Former Federated Universities**"). Each of the Former Federated Universities are separate legal entities and governed by boards that are independent of Laurentian. Students who enrolled at Laurentian were able to take courses for credit towards a Laurentian degree at any or all of the three Former Federated Universities, which are all still physically located on Laurentian's campus. Students enrolled in programs or courses with the Former Federated Universities remained students of Laurentian at all times, and received their degrees from Laurentian. Laurentian's relationships with the Former Federated Universities were disclaimed as part of the CCAA Proceeding.

Laurentian is also part of a tri-party relationship with the medical school previously known as the Northern Ontario School of Medicine ("**NOSM**"). NOSM opened in 2005 as an independent not-for-profit which served as the faculty of medicine for both Laurentian and Lakehead University with a mandate to improve the health of the people in Northern Ontario. NOSM has campuses located in Sudbury and Thunder Bay and provides training in more than 90 communities across the Province. Laurentian's and NOSM's relationship has historically been subject to a master agreement setting out the terms for the provision of services and other obligations. On April 15, 2021, the Province enacted legislation that made NOSM an independent degree-granting university, and on April 1, 2022 the legislation came into effect whereby NOSM University became a separate degree-granting university. Accordingly, although NOSM's medical school remains physically located on Laurentian's campus, and NOSM continues to utilize two buildings owned by Laurentian, Laurentian no longer has a formal relationship or affiliation with NOSM. Laurentian and NOSM University may negotiate or enter into new agreements, including as it relates to continued collaboration in a number of research and graduate student areas. The two buildings currently used by NOSM will be discussed and addressed as part of the Province's intended purchase of real estate, as described in the Plan Support Letter.

Financial Difficulties Leading to the CCAA Filing

The Applicant's financial challenges started several years ago and accumulated over a period of many years. Over the years, Laurentian's long term-debt continued to increase to fund a major capital investment program while enrollment steadily declined. Laurentian pursued growth in an effort to attract more students, but was ultimately unable to increase its revenue to address its financial issues.

Repeated annual operational deficits led to an increasing accumulated deficit in the operational fund of the Applicant. This accumulated deficit increased from approximately $9.8 million to $20 million over the past 6 years. Prior to the CCAA filing, Laurentian forecasted that, absent change, it would experience annual operational deficits ranging from approximately $10.6 million in 2020-21 to approximately $22.6 million in 2025-26.

In addition to its capital debt obligations, Laurentian had outstanding obligations for deferred contributions of approximately $38 million. These deferred (restricted) contributions referred to research funds, scholarships and restricted donations that Laurentian had received and spent for other purposes, with no ability to satisfy the corresponding obligations based on its existing financial circumstances. Historically, these funds were received and deposited into Laurentian's one operating account and comingled with all other sources of revenue. While this is not an uncommon practice among Ontario universities, other universities maintain sufficient cash reserves to cover all such obligations. Laurentian did not have funds set aside or available to satisfy the obligations represented by these deferred contributions.

Laurentian's financial difficulties were evident from information collected and reported by the Council of Ontario Universities. The data shows that Laurentian ranked last, or close to last, in nearly all of the financial health metrics over the last six years. Laurentian's financial health prior to the commencement of the CCAA Proceeding reflected that:

- Laurentian had **negative 29 days of cash** under the relevant financial ratio, whereas the average for all four Northern Ontario universities combined (after taking into account Laurentian's negative cash position) was **positive 44 days of cash**. Among all Ontario universities, the average financial ratio was **positive 117 days of cash**.

- Laurentian's viability ratio was **negative 17.6%**, compared to the average for all four Northern Ontario universities of **positive 28%** (after taking into account Laurentian's negative viability position) and compared to an average among all Ontario universities of **positive 110.38%**.

- Laurentian had long-term debt obligations at April 30, 2020 in the amount of over $90 million.

- Laurentian had accumulated deferred maintenance liabilities (the amount allocated to be spent over a number of prior years to address necessary maintenance and upkeep on buildings) of approximately $135 million, without the financial ability to undertake the work that was reflected by these liabilities.

The table below summarizes the key financial health metrics across Ontario universities.

	Financial Health Metrics						Comparative Data 2018-2019		
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Ranking (out of 20)	All Universities	Northern Universities
Net Income/Loss Ratio	(1.00%)	(1.10%)	(1.00%)	1.05%	(1.94)	(1.51)	19	5.88%	0.18%
→ Primary Reserve Ratio (days)	(7.00)	(14.00)	(17.00)	(11.81)	(21.12)	(29)	20	117.00	44.00
→ Viability Ratio	(5.70%)	(8.10%)	(9.00%)	(6.60%)	(12.08%)	(17.6%)	20	110.38%	28.00%
Interest Burden Ratio	1.60%	1.70%	2.00%	2.44%	2.35%	2.18	15	2.00%	1.97%
→ Cash Flow/ Revenue Ratio	1.50%	5.20%	(1.00%)	(1.08%)	(2.93%)	1.05%	18	8.09%	1.46%

The onset of the COVID-19 pandemic exacerbated and accelerated the University's financial issues. The restrictions caused by the pandemic affected ancillary revenues derived from, among other areas, residence, parking, conferences and food services. The loss of these revenues and the overall economic impact of COVID-19 made it increasingly difficult to manage the financial challenges that Laurentian was faced with.

In an attempt to address these critical financial concerns, management made extensive efforts over the years to achieve cost savings, including through negotiations with key stakeholders. These included making changes to academic programs, seeking wage concessions, revisions to certain financing terms, and advocating for increased government funding and lifting the university tuition freeze. These efforts were not sufficient, and Laurentian's financial health continued to decline. With the added financial pressures resulting from a global pandemic and without financial reserves available to address them, Laurentian could no longer continue to absorb the additional financial losses.

Laurentian's efforts to become financially sustainable were ineffective, in part due to underlying factors that required transformational changes. Some of these underlying factors included:

(a) **Challenges with Operational, Financial, Academic and Governance Practices**: Laurentian's long-standing operational and governance policies and practices were dated, insufficient and inadequate to address increasingly complex and urgent issues.

(b) **Lack of Academic Renewal**: For a significant period of time, Laurentian continued to offer the same programs and courses that had historically been offered, without the ability to respond to changing interests and requirements from current and prospective students. This dynamic created unsustainable financial issues.

(c) **Enrolment Challenges and Concentration**: The lack of ongoing academic program reviews led to a situation where, of the 166 undergraduate programs that existed prior to the CCAA Proceeding, approximately 83% of students were enrolled in the top 50 programs. For some programs and courses, there were virtually no students registered over a period of time and yet the cost of maintaining these programs and courses continued.

(d) **Terms of Collective Agreements**: The terms of Laurentian's collective agreement with LUFA presented challenges that could not be addressed within the timeframe available to Laurentian, or at all, given its severe financial constraints. The terms of the collective agreement dealing with labour changes and redundancies due to financial exigency required a process that would take a significant period of time, with an uncertain outcome, that did not necessarily align with the academic changes required. Redundancies through such a process would also have created significant additional financial obligations for termination and severance that Laurentian had no ability to pay. Given the immediate and urgent financial crisis of Laurentian, following such a process would have exacerbated Laurentian's financial situation.

(e) **Lost Revenue due to Former Federated Universities Model**: In the 2020-2021 academic year, Laurentian paid the Former Federated Universities approximately $7.7 million in respect of courses taught to Laurentian students. This is revenue that Laurentian needed to retain each year for its own operations, where it had the capacity and faculty to teach all of its students.

(f) **Financial Instability Created by Pension Terms and Deficit**: The Pension Plan contained numerous burdensome and costly terms that contributed to a substantial deficit in the Pension Plan. The Pension Plan had a solvency ratio of 85.4%, representing a going concern deficiency of approximately $4.5 million. As a result of this going concern deficiency, LU was required to make annual special payments, creating further strain on LU's liquidity. Further, the Pension Plan's wind-up deficit on an actuarial basis (which deficit was more than $250 million at the commencement of the CCAA Proceeding) created long-term uncertainty.

(g) **Reliance on Debt (Lines of Credit) to Fund Operations**: Due to Laurentian's ongoing negative cash flow, Laurentian relied upon the continued availability of lines of credit to operate in the ordinary course and cover its operating expenses. As a result, Laurentian had no ability to cover unexpected expenses, such as the impact of COVID-19. In addition, the impact of COVID-19 on the university's operating budget was highly uncertain, with the expectation that actual operating results could be materially different than prior budgets. Given the risks to Laurentian and the Board of obtaining further credit at a time when the financial circumstances were such that it made repayment increasing uncertain, Laurentian's prior reliance on unsecured lines of credit did not provide it with a means to overcome its financial challenges.

Laurentian had limited ability to address these operational and financial challenges. This resulted in Laurentian being unable to satisfy ordinary course obligations including the maintenance of its buildings and other capital assets. Laurentian estimates its deferred maintenance obligations to be approximately $135 million. Further, it was unable to address significant operational and governance deficiencies. These deficiencies included, amongst others:

(a) Laurentian's administrative operations being less efficient, less effective and under-resourced compared with other Ontario universities, resulting in functions operating below baseline standards; and

(b) Laurentian's governance model resulted in overlapping responsibilities and communication challenges between the Board and Senate, as well as an insufficient emphasis on performance.

By February 2021, Laurentian had insufficient cash to cover payroll beyond one month and could not incur further indebtedness in circumstances where it knew it was insolvent and had no means to repay any additional indebtedness. It also had no means available to fund deferred contributions of approximately $38 million, representing restricted funds already received and spent.

Restructuring Steps Taken to Date

Filing for CCAA Protection and Subsequent Events

On February 1, 2021, Laurentian filed for and received protection under the CCAA in the form of a general stay of proceedings and Ernst & Young Inc. was appointed by the Court as Monitor ("**EY**" or the "**Monitor**") of Laurentian. Immediately after the CCAA Proceeding was commenced, Laurentian took the steps necessary to begin its operational restructuring. Laurentian commenced communications with its various stakeholders, including students, faculty, staff and other employee groups, suppliers, research-granting agencies, and donors.

On February 11, 2021, the Court granted an amended and restated initial order approving debtor-in-possession interim financing. This interim financing was ultimately refinanced in January 2022 by Her Majesty the Queen in right of Ontario as represented by the Minister of Colleges and Universities ("**MCU**"). It is contemplated that MCU will provide long-term exit financing to Laurentian if the Plan is approved and sanctioned, in an amount sufficient to repay in full the $35 million debtor-in-possession financing provided by MCU.

Appointment of Mediator, CRO and Real Estate Advisor

On February 5, 2021 the Court appointed the Honourable Justice Sean F. Dunphy as the Court-Appointed Mediator in the CCAA Proceeding to oversee and mediate certain issues to be negotiated with the Applicant's stakeholders. Justice Dunphy is a bilingual sitting judge, who was made available to the parties for almost three months in the Spring of 2021 to assist in achieving negotiated outcomes to provide the foundation for financial sustainability.

To allow senior management to focus on the operations of the Applicant and in order to obtain external expertise and strategic guidance, Laurentian obtained the appointment of Louis Pagnutti as the Chief Redevelopment Officer (the "**CRO**") by Order dated May 31, 2021. The appointment by the Court of a CRO who is experienced in the oversight of complicated business functions was to provide strategic advice to Laurentian, support the senior leadership team of the Applicant, create a platform for the governance review that Laurentian committed to undertake, and assist in creating a path forward in developing the Strategic Plan.

By Order dated July 5, 2021, the Court authorized Laurentian to engage Cushman & Wakefield as a real estate advisor to perform a review of the Applicant's real estate portfolio. Extensive real estate reports were prepared by the Real Estate Advisor to Laurentian, which helped inform the basis upon which Laurentian could generate value for the benefit of its creditors.

As part of Laurentian's commitment to a full-scale operational and governance review, on August 5, 2021, Laurentian issued a Request for Proposals (a "**RFP**") to be submitted by interested parties for bids to undertake any one, a combination, or all of: (i) a Senate Governance Review; (ii) a Board of Governors Governance Review; and (iii) an Operational Review. Ultimately, no suitable submissions were received through the RFP. When the RFP process was closed, the Monitor and the CRO then sought to engage with various parties who have experience with this type of mandate. After a competitive vetting process, the Nous Group ("**Nous**") was selected to undertake both the operational review and the governance review due to their significant experience and expertise in the postsecondary sector, including developing systems and strategies for higher education institutions.

On January 27, 2022, the Court granted an order authorizing the Monitor and the CRO to develop and implement a process to identify and retain a third party to assist Laurentian with the development of a new strategic plan. That process will be undertaken upon the Plan being approved by Affected Creditors, and will include engagement with Laurentian's stakeholders.

Stakeholder Negotiations

After months of engagement in a court-ordered mediation process and following challenging negotiations, Laurentian achieved agreement with many of its critical stakeholders that were essential to the foundation for a successful restructuring. In addition, Laurentian took steps to address its relationship with other stakeholders. These steps included the following milestones:

(c) **<u>Termination of Federation Agreements</u>**: Unable to reach consensual terms with Thorneloe University and University of Sudbury, the formal relationships were terminated through statutory mechanisms available to Laurentian under the CCAA. This step was taken to ensure that Laurentian could retain approximately $7.7 million in revenue each year that was otherwise paid to the three federated universities;

(d) **<u>Huntington Transition Agreement</u>**: Laurentian reached a Transition Agreement with Huntington University which allowed Laurentian to retain revenue and ensure an amicable, structured transition for Huntington University, while at the same time terminating the federation relationship that had previously existed;

(e) **<u>Union Term Sheets</u>**: Negotiations with its labour partners were necessary components to ensure Laurentian's future sustainability. Following extensive mediation efforts, the parties agreed to the terms of new or revised collective agreements which created substantial cost savings for Laurentian in an effort to secure its ability to operate moving forward; and

(f) **<u>Academic Restructuring</u>**: To address the foundational issue of Laurentian's financially unsustainable academic programming, Laurentian engaged in negotiations with its Senate through an elected subcommittee of 6 individuals to identify unsustainable academic programs and courses for closure and develop a faculty and department restructuring to streamline operations and reduce inefficiencies. The outcome of these extensive, data-driven discussions was the closure of 39 English-language programs and 27 French-language programs that had persistent low levels of enrolment that created a drain on Laurentian's resources. A further 11 graduate programs were identified for closure. In addition, the faculty and department structure at Laurentian was streamlined to create efficiencies.

Through the above efforts and other steps taken in the CCAA Proceeding, **Laurentian reduced its annual expenses by approximately $40 million**, representing 25% of its overall annual expenses. This monumental achievement demonstrates the commitment of Laurentian to re-setting itself and emerging as a stronger, more disciplined and financially sustainable university. These cost savings provided the foundation for the Applicant's restructuring and allowed the Plan to be presented to Affected Creditors.

Changes to Pension Plan

Amendments to the Pension Plan to enhance its sustainability were made in the course of the CCAA proceeding. The positive impact of these measures will only materialize over time since the pension benefits earned under the Pension Plan prior to July 1, 2021 were largely unchanged.

In addition, amendments to the Pension Plan were made during the course of the CCAA proceeding to stop further accrual of pensions by the employees of the Former Federated Universities under the Pension Plan. All pensions earned before the cessation of pension accrual remain payable from the Pension Plan.

The pension assets and liabilities of Thorneloe University and the University of Sudbury are notionally segregated from the assets and liabilities of the remainder of the Pension Plan. Thorneloe University and the University of Sudbury are solely responsible for funding the pension benefits payable to their respective employees and former employees based on their share of the segregated assets and liabilities.

As a result of an agreement entered into and approved by the Court, Huntington University was released from its funding obligations under the Pension Plan. The additional $1.2 million contribution Huntington University made to the Pension Plan in December 2021 is notionally segregated for the benefit of Huntington University members who elected to receive their pension entitlement through commuted value installment payments.

Except for Huntington University, each employer participating in the Pension Plan has the obligation to fund the pension deficits related to the pension benefits earned by their respective employees and former employees under the Pension Plan.

Comprehensive Review of Laurentian University

In addition to the above negotiations, Laurentian initiated and completed full-scale reviews of key aspects of its business:

(a) **<u>Operational Review</u>**: Nous was selected to conduct a comprehensive review of Laurentian's operations and governance. The operational review included an assessment of the strategies, structures, processes, systems and capabilities of administrative functions within the university. Based on those assessments, Nous developed recommendations for an institution-wide "Transformation Program" as well as a preliminary plan to implement these recommendations. The Transformation Program will re-set Laurentian's strategic plan, optimize service delivery for students, faculty and staff, improve financial management, promote accountability and modernize outdated systems.

(b) **<u>Governance Review</u>:** The governance review included an assessment of Senate and Board processes, policies, structures and overall effectiveness, as well as good governance practices. Based on these assessments, Nous developed recommendations to address key issues and gaps identified. The recommendations were developed with the objectives of improving the performance, enhancing transparency and accountability, encouraging strategic priorities, and streamlining the decision-making process of the Board and Senate.

(c) **<u>Real Estate Review</u>:** Cushman & Wakefield was selected as Laurentian's real estate advisor to conduct a comprehensive review of Laurentian's real estate portfolio. The review was completed after many months in January 2022 and covered space utilization, asset and lease monetization, consolidation opportunities and urban planning. Given the limited opportunities for a university to generate value to satisfy creditor claims outside of the ordinary course, the real estate review sought opportunities to monetize certain of Laurentian's real estate assets. As discussed below, the work undertaken as part of the real estate review will assist as Laurentian and the Province of Ontario engage in discussions regarding the sale of real estate to the Province, pursuant to the Plan Support Letter.

MCU Support

Throughout the CCAA Proceeding, Laurentian has had regular and ongoing dialogue with MCU, including regarding Laurentian's financial sustainability. In response to Laurentian's requests and efforts, MCU has provided certain financial and other support to Laurentian during the CCAA Proceeding and in connection with the Plan. This support by the Province is expressly conditional upon the Plan being approved by Affected Creditors at the Meeting to be held on September 14, 2022, being approved by the Court, and the Plan being implemented.

A. Financial Support Package

On December 16, 2021, a formal announcement was made by MCU that it would provide Laurentian with a package of support, some of which would be applicable in future upon Laurentian's successful emergence from the CCAA proceeding. The package included:

(a) refinancing the $35 million DIP Loan from the previous DIP lender (completed);

(b) providing up to $6 million in COVID-relief funding; and

(c) providing enrolment and performance protection in an amount up to $22 million over a number of years.

The DIP Loan from MCU was advanced at the end of January, 2022 to replace the financing provided by the original DIP lender.

B. The Plan Support Letter

By letter dated May 6, 2022 from its external counsel, MCU outlined the terms of a financial support package to be provided to Laurentian by the Province to help facilitate a successful Plan if accepted by creditors ("**Plan Support Letter**"). Pursuant to the terms of the Plan Support Letter, the Province of Ontario, as represented by MCU, agreed to engage in negotiations with a view to: (a) purchase real estate assets from the Applicant for aggregate proceeds up to $53,500,000 (net of transaction costs); and (b) refinance the existing DIP Facility upon implementation of the Plan with a longer-term loan.

The financial support embodied in the Plan Support Letter is subject to terms and conditions, including final government approvals, the Plan being approved by Affected Creditors and the Court, and the Plan being implemented. It is not available in any other scenario.

Real Property Sale

Prior to the Plan Implementation Date, the Applicant will use its best efforts to negotiate and enter into a conditional agreement of purchase and sale with the Province of Ontario consistent with the terms of the Plan Support Letter. The Applicant will make any and all of its real estate assets available for sale to the Province of Ontario, and the Province of Ontario will conduct due diligence in an effort to identify real estate assets to purchase with an aggregate purchase price of up to $53.5 million. The Plan provides that the parties will negotiate and enter into one or more agreements of purchase and sale in respect of the real estate assets.

The net sale proceeds obtained from the sale of real estate assets by Laurentian to the Province, or as directed or consented to by the Province, will be made available for distribution in accordance with the terms of the Plan.

Laurentian and the Monitor are of the view that the Plan Support Letter will likely result in a significantly better outcome for both Laurentian and the creditors than any sale of the real estate to third parties. The key benefits of the Plan Support Letter include:

(a) It reduces the uncertainty as to whether there is a market available for any real estate owned by Laurentian, and offers creditors a path forward whereby purchase and sale transactions can be completed, subject to the Province's due diligence efforts and final approvals.

(b) It is anticipated that the sale of real estate to the Province will allow Laurentian and its stakeholders to continue to use and occupy the property and buildings in the same or similar manner that it currently does. Significant costs in respect of relocation or renovations to make other buildings suitable for the transfer of facilities, programs or people (if real estate or buildings were sold to arms-length third parties for their own use) are not anticipated to be required.

(c) If any of Laurentian's real estate was marketed and sold to a third party, rather than to the Province, Laurentian anticipated that it would be required to consolidate some of its buildings and assume the associated costs of doing so. These costs incurred would have reduced the net proceeds available to be distributed to creditors.

(d) The lease or rent terms that may govern Laurentian's continued use and occupation of any buildings on real estate sold to the Province may be more favorable with the Province as a landlord, rather than a commercial third party.

DIP Loan

Subject to final government approvals, the Province of Ontario has indicated its intention to provide a refinancing of the existing $35 million DIP Facility with a longer-term loan, upon the Plan Implementation Date.

The Plan

Following extensive discussions with certain stakeholders of Laurentian, on July 19, 2022 the Board of Governors of Laurentian approved a Plan to be presented to its Affected Creditors. On July 21, 2022, the Applicant served motion materials on the Service List and filed them with the Court seeking an Order authorizing it to file the Plan and directing a meeting of the Affected Creditors. The terms of the Plan are outlined in detail in this Circular.

This Plan will create the conditions necessary for Laurentian to continue providing high-quality, postsecondary education to students in Northern Ontario. The bilingual and tricultural mandate of Laurentian is unique in Ontario, and provides access to thousands of students who otherwise would have difficulty accessing post-secondary education. It is one of the biggest contributors to the local economy and is widely considered the University of the Northeast region of Ontario.

Status of Claims Process

Pursuant to the Claims Process Order dated May 31, 2021, the Applicant commenced a process for certain creditors to file Proofs of Claim with the Monitor. The Monitor received approximately 200 Proofs of Claim with an aggregate asserted claim value in excess of $300 million, excluding a number of contingent indemnity claims for which a value had not been asserted.

Pursuant to the Compensation Claims Process Order dated August 17, 2021, the Applicant commenced a process for the Monitor to ascertain the Compensation Claims of Employees, Retirees and Unions. This process resulted in 938 individuals being determined to have Compensation Claims with an aggregate value of approximately $60 million. These amounts are in addition to the $300 million in claims set out above.

Currently, 98.5% in number of claims filed have been resolved. The Applicant and the Monitor continue to work towards resolving the remaining claims. It is expected that the aggregate number of Affected Creditors will be in excess of 1,100. The aggregate value of Affected Creditors' claims is dependent on the resolution of the remaining claims. However, information on the range of outcomes has been used to estimate the range of recovery for Affected Creditors as set out in this Circular.

On December 21, 2021, the Court granted the Grievance Resolution Process Order which set out a process and timing for the resolution of grievances. There were 36 unresolved grievances by LUFA as of January 20, 2022. Laurentian, together with LUFA and the Monitor, dealt with the majority of the relevant grievances with the assistance of the Grievance Resolution Officer Ken Rosenberg, Arbitrator Bill Kaplan, and the Court-Appointed Mediator Justice Dunphy. The parties are addressing final issues in respect of the resolution of two (2) remaining grievances. In addition, there are a small number of LUSU grievances which will also need to be resolved pursuant to the Grievance Resolution Process Order and in accordance with the Plan. A condition to Plan Implementation is that all Pre-Filing Grievances, Restructuring Grievances, and Material Post-Filing Grievances be fully resolved or withdrawn by the applicable Union.

Laurentian's Future Following Plan Implementation

As a result of steps taken in the CCAA Proceeding, Laurentian has set itself on a path for long-term financial sustainability and success. This is for the benefit of its students, employees, suppliers, and the Greater Sudbury and Northern Ontario communities.

Approval of the Plan by Affected Creditors will allow Laurentian and its stakeholders to emerge from the CCAA Proceeding and provide Laurentian with:

(a) the ability to continue offering high quality post-secondary education in a bilingual and tricultural setting, with a renewed emphasis on its core offerings;

(b) the resources to conduct an extensive transformation of its operations, thereby improving effectiveness and efficiency for the benefit of its students, employees and stakeholders;

(c) an improved governance model and a focus on long-term strategic planning;

(d) a Continuous Improvement Committee, to be created after completion of the operational restructuring and transformation to be undertaken, to conduct ongoing review of best practices within the sector and Laurentian's adoption of such practices; and

(e) a fresh strategic plan for Laurentian's long-term success as a leading provider of post-secondary education in Northern Ontario.

Following the comprehensive restructuring of the university, and with a clear path having been established for future financial sustainability, Laurentian will also undertake a renewal of certain senior management roles as a result of the pending retirements of (i) the President and Vice-Chancellor; and (ii) the Provost. This transition, to be effective by the Plan Implementation Date, will provide an opportunity for continued renewal as the university emerges and re-builds its reputation and role as an important post-secondary destination in Northern Ontario.

As part of its new strategic planning process, Laurentian will strive to develop a model of teaching, research and service delivery that is sustainable and forward-thinking. Furthermore, it will seek to rebuild trust with all stakeholders and develop a campus culture of respect through principles of equity, diversity, inclusion, and accessibility that has the student experience at the centre of all decision-making. Laurentian will engage with its stakeholders on all aspects, including to enhance life-long learning options, such as opportunities for micro-credentials, advancement and new articulation agreements with colleges and international universities.

After emergence from the CCAA, and subject to the development of the strategic plan, Laurentian intends to continue delivering leading undergraduate and graduate programming, scholarship and research that is internationally recognized, and nationally and regionally impactful. Laurentian will continue to build its communities and successfully prepare students as critical leaders for the North, Canada, and the world. At its core, Laurentian will be well positioned to continue to be a leader in bilingual education with a tricultural mandate.

Laurentian will have streamlined academic programs focusing on areas of high demand and strong research and scholarship. Laurentian will emerge from the CCAA proceeding with a rebalanced ratio of full-time faculty, master lecturers and sessional instructors generating in-year budget surpluses required to address the operational transformation and any financial challenges in future.

The new strategic plan to be developed may include strategies for Laurentian's research to remain regionally relevant and globally recognized. That could include a focus on its existing strengths such as mining, minerals exploration, environmental stewardship, northern, rural and occupational health, Indigenous and ally-led research, and interdisciplinarity.

Following its academic renewal, Laurentian will now offer a suite of on-campus and online programs that are in demand by students and represent a niche to Laurentian. These programs are important to Northern Ontario, and produce graduates that are in demand by employers.

Laurentian's continued operation through the successful implementation of the Plan would be in the best interests of the communities and the many stakeholders it benefits.

II. Description of the Plan

Purpose and Effect of the Plan

Purpose

The objective of the Plan is to allow the Applicant to emerge from the CCAA Proceeding while balancing the interests of all stakeholders of the Applicant in a fair and reasonable manner in the circumstances. By the completion of the CCAA Proceeding, the purpose of the Plan is to:

(a) complete a restructuring of Laurentian by implementing the Restructuring Steps;

(b) provide for a compromise of all Affected Claims by providing to Affected Creditors one or more distributions in accordance with the terms of the Plan;

(c) effect a release and discharge of all Affected Claims, the Released Claims and the Huntington Released Claims;

(d) permit the Applicant to exit the CCAA Proceeding; and

(e) provide a basis whereby the Applicant continues as a going concern, having addressed its liquidity issues, long-term financial viability issues, with recommendations to address operational and governance components, all with the expectation that the Affected Creditors will derive a greater benefit from implementation of the Plan than they would receive from a bankruptcy or liquidation of the Applicant.

Affected Claims and Released Claims

The Plan provides for a compromise with Affected Creditors and a full release and discharge of the Affected Claims and the Released Claims. The Plan will become effective once the Monitor delivers a certificate confirming that the Plan Implementation Date has occurred. Upon becoming effective, the Plan will be binding on the Applicant, the Affected Creditors, the Released Parties and all other Persons referred to in the Plan.

Classification and Treatment of Creditors and Related Matters

In proposing the Plan, the Applicant considered, among other things, the legal entitlements of stakeholders in the absence of the CCAA Proceeding, their expected economic recovery if the Plan is not approved and their proposed treatment under the Plan. The Applicant believes that the Plan fairly balances all stakeholder interests.

Claims Procedures

The procedure for determining the validity and quantum of certain Unaffected Claims for distribution purposes and the Affected Claims for voting and/or distribution purposes under the Plan has been and will be governed by the Claims Process Order and the Compensation Claims Process Order (collectively, the "**Claims Process Orders**"), the Meeting Order, the CCAA, the

Plan and any further Order of the Court. The Claims Process Orders are posted on the Monitor's website at www.ey.com/ca/Laurentian. All Affected Creditors should refer to the Claims Process Orders for a complete description of the procedures pursuant to which Affected Claims are determined for both voting and distribution purposes.

Classification of Creditors

For the purposes of considering and voting on the Plan, there will be a single class of creditors, comprised of the Affected Creditors. The sole classification means that only the class of Affected Creditors needs to approve the Plan. The Affected Creditors are comprised of all Creditors that do not have an Unaffected Claim (the details of which are described below).

The Applicant and the Monitor are of the opinion that the Affected Creditors are all Creditors with the same status for purposes of voting and distributions under the Plan, and accordingly, only a single class is necessary. In particular, all Affected Creditors are unsecured Creditors whose Claim will be compromised by the Plan. All Affected Creditors will receive distributions on a *pro rata* basis (i.e. all having an equal priority of payment, determined by reference to the size of each Affected Creditor's Proven Claim).

Creditors' Meeting

The Meeting will be held in accordance with the Meeting Order and any further Order of the Court. The only Persons entitled to attend the Meeting are: (a) the Affected Creditors and holders of Unresolved Claims (or any Person holding a valid proxy on behalf of one or more Affected Creditors or holders of Unresolved Claims), including any Person's legal counsel and financial advisors; (b) the Chairperson, the Secretary and the Scrutineers and the Secretary; (c) the Monitor and the Monitor's legal counsel; and (d) one or more representatives of the Board of Governors and/or senior management of the Applicant, and the Applicant's legal counsel. Any other person may be admitted to the Meeting only if approved by the Monitor, or on invitation of the Applicant, in consultation with the Chairperson.

Treatment of Affected Claims

Upon the Plan becoming effective, all Affected Claims will be fully released and discharged, cancelled and barred, subject only to the right of Affected Creditors with Proven Claims to receive distributions in accordance with the Plan.

Each Affected Creditor with Proven Claims will receive its *pro rata* share of the Distribution Pool remaining after payment of the CCAA Priority Claims, Secured Claims and Vacation Pay Compensation Claims.

Unaffected Claims

Subject to the express provisions of the Plan, the Plan does not compromise the following claims:

(a) CCAA Priority Claims;

(b) Vacation Pay Compensation Claims;

(c) Insured Claims;

(d) Excluded D&O Claims;

(e) Secured Claims; and

(f) claims by EY, the CRO, counsel to the Applicant, counsel to the Monitor, and independent counsel to the Board, including as secured by the CCAA Charges.

The treatment of Unaffected Claims is described below.

Excluded D&O Claims

The Plan does not compromise or affect the 12 D&O Claims filed in the Claims Process on or before the D&O Claims Bar Date (the "**Excluded D&O Claims**"). The Claims Process is without prejudice to any positions, rights, defences or arguments that any Creditor, the Applicant, the D&Os, their insurer(s), or the Monitor have or may have, now or in the future, in respect of any Excluded D&O Claim.

Insured Claims

Upon the Plan becoming effective, any Person having an Insured Claim will be irrevocably limited to recovery in respect of the Insured Claim solely from the proceeds of the applicable insurance policies. Persons with any Insured Claims will have no right to make any claim or seek any recoveries from the Released Parties, other than enforcing that Person's rights to be paid by the applicable insurer(s) from the proceeds of the insurance policies.

Unresolved Claims

Unresolved Claims must first be finally determined pursuant to the Claims Process Orders before the holder of an Unresolved Claim will be entitled to receive any payment or distribution, and then only to the extent of the proven amount of the Unresolved Claim.

Extinguishment of Claims

Upon the Plan becoming effective, in accordance with the terms of the Plan and the Sanction Order, the treatment of Affected Claims (including Unresolved Claims), and Released Claims will be final and binding on the Applicant, the Creditors, and any Person holding a Released Claim, and save and except as set out in the Plan, the Applicant and the Released Parties will have no further obligation whatsoever in respect of the Affected Claims, and the Released Claims, as applicable.

Set-off

If there are amounts due and owing to the Applicant from a Creditor, the Applicant will be entitled to set-off from any payments or distributions made to a Creditor such amount.

Restructuring Steps on the Plan Implementation Date

Upon the Plan becoming effective, the following will occur:

(a) the DIP Facility will be repaid in full through the proceeds of the Exit Financing Facility in full and final satisfaction of all obligations and liabilities under the DIP Loan Agreement;

(b) the Applicant will transfer to NOSM University, or as NOSM University may direct, that portion of the investment account equal to the aggregate amount of the NOSM Endowment Funds;

(c) the Applicant will deliver to the Monitor, in trust, the Administration Reserve;

(d) to the extent not already paid, the Applicant will pay into the Distribution Pool the amount of cash required to satisfy the CCAA Priority Claims, the Secured Claims, and Vacation Pay Compensation Claims, in full, which Unaffected Claims will be paid by the Monitor, for and on behalf of the Applicant, subject to any required clearance from Employment and Social Development Canada and any deduction or withholding required by applicable law;

(e) all Affected Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred as against the Applicant; and

(f) all Released Claims will be fully, finally, irrevocably and forever released, discharged, cancelled and barred and all notes, certificates and other instruments evidencing the Released Claims (and all guarantees associated with each of the foregoing) will be deemed cancelled and extinguished and be null and void.

Post-Implementation Restructuring Steps

While the execution of the Plan Support Letter and the filing of the Plan represent significant milestones in the successful restructuring of Laurentian, there are a number of agreements and arrangements which, while described in general terms in the Plan, will be undertaken by Laurentian after the Plan Implementation Date including the following, in each case subject to such terms and conditions as may be contained in the Exit Financing Documentation:

(a) an RFP process to engage a third-party project management consultant or consultants (the "**Project Management Consultant**") to lead the operational restructuring and transformation recommended by Nous in the Nous Operational Report. The Applicant will consult with and seek input from the Unions and LUAPSA with respect to the engagement of the Project Management Consultant through the RFP process, and will ensure that the transformational process led by the Project Management Consultant, once engaged, includes consultation and input from various constituents and stakeholders;

(b) a process undertaken by the Applicant to identify individuals to consult with the Applicant and the Project Management Consultant regarding the recommendations in the Nous Operational Report (the "**Transformation Consultation Group**"). The Transformation Consultation Group that will work with the Applicant and the Project Management Consultant will be comprised of members selected by the Unions, LUAPSA, and drawn from other key stakeholder groups;

(c) the development of a detailed plan by the Applicant working with the Project Management Consultant, in consultation with and after seeking input from the Transformation Consultation Group, which shall include, among other things, the identification of priorities, required steps, timing, resources, sequencing, goals and deliverables, for undertaking the comprehensive operational restructuring and transformation described in the Nous Operational Report;

(d) following completion of the comprehensive operational restructuring and transformation led by the Project Management Consultant, a Continuous Improvement Committee will be created to periodically review service-delivery and other operational processes, procedures and policies to ensure that the operational decisions of the Applicant continue to be guided by best practices in the sector;

(e) requests (jointly with LUFA and LUSU, to the extent applicable) to MCU for an amendment to the *The Laurentian University of Sudbury Act, 1960*, to permit:

   (i) representation of up to a maximum of two (2) members from LUFA as voting members of the Board of Governors, to be elected by LUFA from LUFA membership; and

   (ii) representation of a minimum of one (1) member from LUSU as voting members of the Board of Governors, to be elected by LUSU from LUSU membership;

(f) if not already done and subject to any amendments required under *The Laurentian University of Sudbury Act, 1960*, amending the Bylaws of the Board of Governors to ensure consistency with the following principles:

   (i) the establishment of certain minimum requirements of the Board of Governors regarding the skillset and diversity of the Board of Governors that are consistent with best practices of other Ontario post-secondary education organizations;

   (ii) the inclusion of maximum terms of appointment to the Board of Governors; and

   (iii) a requirement for regular ongoing training for current and future members of the Board of Governors;

(g) an RFP process to retain a third-party consultant to assist the Applicant and its stakeholders in the development of a new strategic plan and taking the appropriate steps to make any changes that are necessary to align the Applicant with the new Strategic Plan;

(h) ensuring that appropriate internal financial controls and restrictions are in place such that the funds designated for restricted purposes (for example, research grants or restricted donations), will be available and used only for such intended purposes as set out in the relevant research grant documentation or restricted donation agreement, as applicable; and

(i) honouring the contractual commitments that the Applicant made to various research and granting agencies after December 20, 2020.

Corporate Approvals

The execution, delivery, implementation and consummation of all matters contemplated under the Plan involving any actions of the Applicant, including the Restructuring Steps, will be authorized and approved under the Plan and by the Court as part of the Sanction Order in all respects and for all purposes without any requirement of further action by any Person.

Plan Consideration

Distribution Pool

A minimum of $45.5 million and a maximum of $53.5 million will be realized from the sale of the Designated Real Estate Assets and transferred to the Distribution Pool by no later than the fourth (4^{th}) anniversary after the Plan Implementation Date. All distributions and other payments to be made pursuant to the Plan will be made from the Distribution Pool. The Monitor will have the sole discretion to determine the timing for any distributions to be made under the Plan.

Unresolved Claims Reserve

In order to ensure there are sufficient funds available to satisfy Unresolved Claims, the Monitor will hold back from any distribution an amount sufficient to pay each holder of an Unresolved Claim the amount such holder would be entitled to under the Plan if such Unresolved Claim (or certain portions thereof) is determined to be a Proven Claim in accordance with the Claims Process Orders. With respect to any Unresolved Secured Claims, the Applicant is not required to pay into the Distribution Pool any amounts in respect of an Unresolved Secured Claim.

The Monitor shall oversee the distribution of funds from the Unresolved Claims Reserve in accordance with the Plan.

Administrative Reserve

Upon the Plan becoming effective, the Applicant will transfer to the Monitor, in trust, $1,000,000, as security for the fees and expenses of those entitled under the Plan, with respect to the continued administration and implementation of the Plan, including the administration of the resolution of Unresolved Claims in accordance with the Claims Process Orders, negotiation with respect to the real estate assets to be purchased by the Province of Ontario, distributions by the Monitor, and to perform such other activities as may be required after the Plan becomes effective. If the Administration Reserve is no longer required as security after the Monitor has completed its obligations as set out in the Plan, the Administration Reserve will be released by the Monitor to the Applicant.

Conditions to Plan Implementation

The Plan is subject to the satisfaction or waiver of the following conditions:

(a) the Plan will have been approved by the Affected Creditors of the Applicant in accordance with the provisions of the Meeting Order and the CCAA;

(b) the Sanction Order will have been issued by the Court;

(c) all Pre-Filing Grievances, Restructuring Grievances, and Material Post-Filing Grievances will have been fully resolved or withdrawn by the applicable Union;

(d) the Exit Financing Documentation will have been executed, delivered and become effective in accordance with their terms, subject only to the occurrence of the Plan Implementation Date;

(e) all indebtedness and obligations under the DIP Facility shall have been fully and permanently repaid to the DIP Lender;

(f) the renewal of certain senior management of the Applicant will become effective no later than immediately prior to the Effective Date, with any such claims arising therefrom having been calculated in accordance with the Compensation Claims Process Order and constituting an Affected Claim hereunder;

(g) all relevant Persons will have executed, delivered and filed all documents and other instruments that, in the opinion of the Applicant, acting reasonably, are necessary to implement the provisions of the Plan or the Sanction Order;

(h) there will have been no material adverse change to the Business or the assets of the Applicant, in the view of the Monitor;

(i) no action or proceeding will be pending by any third party to enjoin or prohibit the transactions contemplated by the Plan; and

(j) all applicable approvals and orders of, and all applicable submissions and filings with, Governmental Authorities having jurisdiction for the completion of the steps and transactions contemplated by the Plan (including the steps and transactions which are Plan Implementation Conditions) will have been obtained or made, as the case may be, in each case to the extent deemed necessary or advisable by the Applicant, in form and substance satisfactory to the Applicant.

Provisions Regarding Distributions, Payments and Currency

Payments of Certain Unaffected Claims

To the extent that such payments have not already been made, forthwith after the Plan Implementation Date, the Applicant will make a payment in full of all Claims secured by the Administration Charge as at the Plan Implementation Date.

Following the Plan Implementation Date, all CCAA Priority Claims will be paid by the Monitor in accordance with Sections 6(3), 6(5), and 6(6) of the CCAA. The Monitor, on behalf of the Applicant, will pay from the Distribution Pool to each holder of a CCAA Priority Claim the amounts required to satisfy such holder's CCAA Priority Claim in full, subject to receipt of confirmation from Employment and Social Development Canada and any deduction or withholding requirement, if applicable.

Subject to the payment in full of the CCAA Priority Claims, immediately after the Plan Implementation Date (or such later date as an Unresolved Secured Claim becomes a Secured Claim), the Monitor, on behalf of the Applicant, will pay from the Distribution Pool to each Secured Creditor the amount required to satisfy each Secured Creditor's Secured Claim in full.

Subject to payment in full of the CCAA Priority Claims and Secured Claims, following the Plan Implementation Date, the Monitor, on behalf of the Applicant, will pay from the Distribution Pool to each holder of a Vacation Pay Compensation Claim the amount required to satisfy each Vacation Pay Compensation Claim in full, subject to receipt of confirmation from Employment and Social Development Canada and any deduction or withholding requirement, if applicable. If the Plan is not approved and a bankruptcy occurs, it is expected that Vacation Pay Compensation Claims would not be paid in full.

Payment of Affected Claims

After the payment in full of the CCAA Priority Claims, Secured Claims and Vacation Pay Compensation Claims, and the repayment in full of Laurentian for all amounts paid into the Distribution Pool by Laurentian to satisfy the foregoing claims, the Monitor, on behalf of the Applicant, will distribute the balance of the Distribution Pool to the Affected Creditors with Proven Claims pursuant to one or more *pro rata* distributions in full and final satisfaction of all Affected Claims.

For administrative reasons, no distributions will be made where the *pro rata* distribution is less than $10.

Method of Distribution

The Monitor may, in its sole discretion, make distributions by way of: (a) cheque sent by prepaid ordinary mail to the address on file with the Applicant on the Distribution Record Date; or (b) wire transfer of immediately available funds to an account designated in writing by the Creditor to the Monitor (with any wire transfer or similar fee being satisfied from the distribution amount).

Distributions in Respect of Unresolved Claims

The Monitor will hold the Unresolved Claims Reserve in trust (as such reserve may be reduced from time to time as Unresolved Claims are ultimately disallowed in whole or in part) until the final determination of all Unresolved Claims in accordance with the Claims Process Orders, or in the case of a D&O Indemnity Claim, in accordance with the Plan.

To the extent that an Unresolved Claim becomes a Proven Claim, the Monitor, on behalf of the Applicant, will distribute to the holder thereof an amount from the Unresolved Claims Reserve that such Creditor would have been entitled to receive in respect of its Proven Claim on any preceding Distribution Date had such Unresolved Claim been a Proven Claim on the preceding Distribution Date(s).

To the extent that an Unresolved Secured Claim becomes a Proven Claim, the Monitor, on behalf of the Applicant, shall make a distribution from the Distribution Pool to the Secured Creditor. If there are no funds in the Distribution Pool at such time, the Applicant shall pay into the Distribution Pool the amount required to satisfy an Unresolved Secured Claim that becomes a Proven Claim.

After all Unresolved Claims have been finally resolved in accordance with the Claims Process Orders, and any required distributions have been made with respect to any Proven Claims, the Monitor, on behalf of the Applicant, will transfer the amount remaining in the Unresolved Claims Reserve into the Distribution Pool. If the Monitor is of the view that the distribution of any amounts remaining in the Unresolved Claims Reserve is not economically practical (taking into consideration any anticipated future distributions), then the Monitor will release the amounts remaining in the Unresolved Claims Reserve to the Applicant.

Allocation of Distributions

All distributions made pursuant to the Plan to Affected Creditors with Proven Claims will be allocated first towards the repayment of the amount of the Proven Claim attributable to principal and, if greater than the amount of principal, second, towards the repayment of any amount of such Claim attributable to unpaid pre-filing interest. For greater certainty, no Creditor shall be entitled to any interest accrued after the Filing Date.

Treatment of Unclaimed Distributions

If any distribution under the Plan is returned as undeliverable, then neither the Monitor nor the Applicant will be required to make further efforts to deliver the distribution to such Creditor unless and until the Monitor and the Applicant are notified in writing by the applicable Creditor of such Creditor's current address at which time all such distributions will be made to such Creditor. If such Creditor has not notified the Monitor and the Applicant of its current address by the time of the final distribution, the Claim of any such Creditor with respect to such undelivered or unclaimed distribution shall be discharged and forever barred, notwithstanding any Applicable Law to the contrary, and any such cash allocable to the undelivered or unclaimed distribution shall be released and returned by the Monitor to the Applicant, free and clear of any claims of such Creditor or any other Creditors and their respective successors and assigns. Nothing contained in the Plan shall require the Monitor or the Applicant to attempt to locate any holder of any Undeliverable Distributions.

Withholding Rights

The Monitor will be entitled to deduct and withhold from any such payment to any Person such amounts as may be required to be deducted or withheld under any Applicable Law and to remit such amounts to the appropriate Governmental Authority or other Person entitled thereto. To the extent that amounts are so withheld or deducted and remitted to the appropriate Governmental Authority or other Person, such withheld or deducted amounts will be treated for all purposes hereof as having been paid to such Person as the remainder of the payment in respect of which such withholding or deduction was made. Without in any way limiting the generality of the foregoing, the Monitor, on behalf of the Applicant, shall deduct from any distribution to a Creditor under the Plan any amounts as indicated by Employment and Social Development Canada in a Notice of Debt and remit such amounts to Employment and Social Development Canada pursuant to the *Employment Insurance Act* (Canada).

Any Creditor whose address on file with the Applicant on the Distribution Record Date is not a Canadian address will be treated as a non-resident of Canada for purposes of any applicable non-resident withholding tax on all payments hereunder, subject to receipt by the Monitor or the Applicant of information satisfactory (in their sole discretion) that such Creditor is not a non-resident. No gross-up or additional amount will be paid on any payment under the Plan to the extent the Monitor, the Applicant or any other Person deducts or withholds amounts pursuant to the Plan. Notwithstanding any withholding or deduction, each Person receiving a payment will have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Authority (including income and other tax obligations on account of such distribution).

Cancellation of Certificates and Notes, etc.

Upon the Plan becoming effective, all debentures, notes, certificates, indentures, guarantees, agreements, invoices and other instruments evidencing Affected Claims (and all guarantees associated with each of the foregoing), will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and will be deemed cancelled and extinguished and be null and void.

Calculations

All amounts to be paid by the Monitor on behalf of the Applicant pursuant to the Plan will be calculated by the Monitor. All calculations made by the Monitor will be conclusive, final and binding upon the Applicant and all other Persons entitled to distributions under the Plan, absent manifest error.

Currency Matters

Distributions to any Persons entitled to distributions under the Plan will be paid in Canadian dollars and any such Claims that are denominated in a currency other than the lawful money of Canada will be converted to the equivalent thereof in the lawful money of Canada at the noon rate of exchange as quoted by the Bank of Canada on the Filing Date, in accordance with the Claims Process Orders.

Releases

Plan Releases

Upon the Plan becoming effective, the Plan releases the Applicant (including in its capacity as administrator and sponsor of the Pension Plan), (b) the CRO, (c) EY, and (d) their respective Representatives (collectively, the "**Released Parties**") from all Released Claims, which will be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, all to the fullest extent permitted by Applicable Law. Notwithstanding anything else contained in the Plan, nothing in the Plan will have the effect of releasing the Non-Released Claims.

The Released Claims include, among other things, any and all claims against the Released Parties in connection with the list provided in the definition of "Released Claims" in the Glossary below.

Huntington University and Laurentian are parties to a Transition Agreement dated April 16, 2021, which was approved by the Court by Order dated May 2, 2021. In accordance with the Transition Agreement, the Plan provides that Huntington University will be released and discharged from all claims that in any way relate to or arise out of or in connection with: (a) the discontinuation of the RHBP, and (b) the discontinuation of any courses or programs previously offered by Huntington University (the "**Huntington Released Claims**"). The Huntington Released Claims will be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred against Huntington University, effective upon the Plan Implementation Date.

The Claims not released under the Plan include, among other things, Unaffected Claims against the Applicant, to the extent that such Unaffected Claims are not paid in full pursuant to the Plan, any claims in respect of the obligations of the Applicant under the Plan, and the Excluded D&O Claims.

Injunctions

Upon the Plan becoming effective, all Persons will be permanently and forever barred from commencing, continuing or taking any steps generally in respect of any Released Claim against any of the Released Parties or their property. All Persons who have previously commenced a Released Claim in any court, which has not been finally determined, dismissed or discontinued prior to the Plan becoming effective, shall immediately after the Plan becomes effective take steps to discontinue and/or dismiss, without costs, such Released Claim.

Court Sanction

The Plan has been filed with the Court pursuant to the CCAA. The CCAA requires that the Plan be sanctioned by the Court following approval by the Affected Creditors. The hearing in respect of the Sanction Order, at which sanction by the Court of the Plan under CCAA will be sought, is expected to take place via judicial hearing on October 5, 2022, or as soon thereafter as may be practical, subject to the approval of the Affected Creditors being obtained at the Meeting.

At the hearing, any interested party may appear and present evidence supporting or opposing the motion for the Sanction Order provided the party has filed with the Court a notice of appearance and served such notice of appearance and a copy of the materials to be used on the Applicant's solicitors at least four (4) business days before the Court hearing.

If the hearing is adjourned, only those Persons who have filed and served a notice of appearance will be served with notice of the adjourned date.

The authority and discretion of the Court is very broad under the CCAA. The Court will consider, among other things, the fairness of the terms and conditions of the Plan. The Court may approve the Plan as proposed or as amended and subject to such terms and conditions, if any, as the Court thinks fit.

If the Sanction Order is granted, any interested person may appeal the provisions of the Sanction Order, with leave of the Court or the Ontario Court of Appeal, within 21 days of the date on which the Sanction Order is granted.

Timing for Plan to be Effective

The Applicant's proposed timeline to emergence from the CCAA Proceedings is set out above, with an intended Plan Implementation Date in the mid to late Fall, 2022. Any number of circumstances, including a failure to satisfy a condition to implementation of the Plan, may cause the Plan Implementation Date to be delayed. Prior to its expiry, Laurentian will be seeking an extension of the Stay Period (as defined in the Initial Order) beyond September 30, 2022 in order to complete the implementation of the terms of the Plan.

Modification of the Plan

The Applicant may amend the Plan by written instrument at any time and from time to time before and during the Meeting in accordance with the notice and other terms of the Plan and the Meeting Order. After the Meeting, the Applicant may only amend the Plan, as approved, if the Court and the Applicant, or the Monitor and the Applicant without the need for obtaining an Order, determine that the proposed amendment would not be materially prejudicial to the interests of the Affected Creditors under the Plan or is necessary to give full effect to the intent of the Plan or the Sanction Order.

III. Alternatives to the Plan

Without the necessary support from its Creditors to emerge from the CCAA Proceeding, as evidenced by the Required Majority of Affected Creditors voting in favour of the Plan at the Meeting, Laurentian will not be able to complete its restructuring and it would in all likelihood have to cease operations. Students would be required to transfer to other universities and all faculty and staff would be terminated, other than a small group retained for a period of time to assist with the transition of students and providing transcripts upon request. Laurentian has no ability to satisfy the claims of its Creditors, other than through the Plan that has been presented.

If Laurentian does not receive the necessary support of its Affected Creditors at the Meeting to vote on the Plan, it is expected that Laurentian would commence a liquidation of its operations and assets. Thousands of students would lose access to a quality post-secondary education in Sudbury.

A cessation of operations and a liquidation of the university would have numerous devastating consequences. There would be no funds available to pay termination and severance to remaining faculty and staff who would then be terminated. The Pension Plan would be wound-up with a significant wind-up deficit. A wind-up of the Pension Plan would affect every Pension Plan member and beneficiary, and would be expected to result in the reduction of the pensions payable to active, former and retired members, surviving spouses and other beneficiaries. Pension Plan members, including retired members currently receiving a pension and former members who are entitled to a deferred pension or to the second installment of their pension commuted value could see a reduction to their pension entitlements based on the wind-up funded status of the Pension Plan at the wind-up date, plus any potential recovery that may be available, including from the Pension Benefits Guarantee Fund.

Without Laurentian, many stakeholder groups would be impacted, including students, faculty, Indigenous communities, Francophones and Northern municipalities and businesses. Laurentian's impact on Northern Ontario is significant and is a vital component of its continued growth and success.

IV. Risk Factors

Despite the restructuring steps taken to date, and the significant progress made in the CCAA Proceeding to operationally and financially restructure Laurentian, there remain risks to Laurentian's future sustainability. In considering the Plan, the Affected Creditors should be aware of the risks to the Plan's success, which include but are not limited to:

(a) The outcome of the Province's review and due diligence of Laurentian's real estate – if the Province does not ultimately purchase real estate with an aggregate value of the full $53.5 million, the Distribution Pool will be less than the maximum amount. If the proceeds paid to the Distribution Pool through the sale of real estate to the Province is less than the Guaranteed Minimum Plan Consideration Amount ($45.5 million), Laurentian would have to cure that default within 1 year or the Proven Claims would again become payable by Laurentian (less any distributions received) and likely result in a liquidation of Laurentian;

(b) Fluctuating enrolment levels – Laurentian will be closely monitoring enrolment over the next several years and making focused efforts to recruit and retain students, including international students;

(c) Continued funding from various sources – Laurentian receives funding from various sources, including grants from MCU, gifts from donors and grants from research agencies. Any material change to these critical sources of funding would pose a risk to Laurentian's operations;

(d) The possibility of Laurentian's French-language programs and funding being terminated or transferred in future through factors outside of Laurentian's control – currently, 20% of Laurentian's students are registered in these programs and this revenue forms a critical part of Laurentian's intended future financial sustainability;

(e) Any actions taken by NOSM as an independent degree-granting university that may be approved by the Province and its relevant ministries – if NOSM sought to establish programs or courses that compete with existing programs offered by Laurentian, this could cause a reduction of students from Laurentian's health and science-based programs, in particular;

(f) The undertaking and success of the Strategic Plan – undertaking a new strategic plan is a requirement of the Province's financial support, and will be a critical exercise to be undertaken for Laurentian's long-term success;

(g) The undertaking and success of implementing the recommendations identified in the operational and governance reports prepared by Nous – addressing the operational and governance deficiencies is critical, however, it requires a significant financial investment to complete and an ongoing commitment from the Board, senior management, and all faculty and staff;

(h) Any dilution of the cost savings achieved through the Union Restructuring Agreements achieved in the restructuring, through any reversal of decisions made

– the Union Restructuring Agreements created $40 million/year in cost savings, providing a foundation for Laurentian's future financial sustainability. Laurentian will need to be disciplined with respect to academic decisions and conduct robust analyses that take into consideration current and projected future enrolment;

(i) Laurentian's cash flow will need to be carefully managed to ensure that it does not have to borrow money for its operations in the future, and to ensure that a reserve can be created in order to allow the university to weather unexpected events; and

(j) The segregated accounting and banking arrangements being maintained at all times, to ensure that all restricted funds received by Laurentian remain segregated and used only for their restricted purposes.

The foregoing description includes some of the identified risks, but is not intended to be exhaustive of all of the potential risks to Laurentian's success following acceptance of and implementation of the Plan.

V. The Meeting

Procedure for the Meeting

Pursuant to the meeting order dated July 28, 2022 granted by Chief Justice Morawetz of the Ontario Superior Court of Justice (the "**Meeting Order**"), a copy of which is posted on the Monitor's website at www.ey.com/ca/Laurentian, the Meeting of Affected Creditors has been called to consider and vote on the Plan. The Meeting will be held virtually on September 14, 2022, at the time set out below.

Those entitled to attend the Meeting will be able to attend the virtual Meeting, submit questions and, for those who are also entitled to vote, vote in real time, provided they are connected to the internet and follow the instructions to be provided. Schedule "G" of the Meeting Order provides the Pre-Registration Form which will be provided to all Affected Creditors. Following completion of the Pre-Registration Form, the Monitor will provide instructions on how to attend and vote at the Meeting.

Even if you plan to attend the Meeting, it is strongly encouraged that you submit your vote in advance by proxy, and name the Monitor as proxyholder in case there are any technical difficulties on the day of the Meeting. **There will be no accommodation for Affected Creditors or their proxyholders who are unable to attend or vote due to technical difficulties or for any other reasons. Accordingly, submitting your vote in advance by appointing the Monitor as proxyholder will ensure that it is counted.**

The Meeting will be held and conducted in accordance with the provisions of the Meeting Order, notwithstanding the provisions of any other agreement or instrument.

A representative of the Monitor will act as the chair (the "**Chairperson**") of the Meeting and decide all matters relating to the conduct of the Meeting. The Monitor may appoint scrutineers (the "**Scrutineers**") for the supervision and tabulation of the attendance, quorum and votes cast at the Meeting. A Person designated by the Monitor will act as secretary at the Meeting.

The only Persons entitled to attend the Meeting are: (a) the Affected Creditors and holders of Unresolved Claims (or any Person holding a valid proxy on behalf of one or more Affected Creditors or holders of Unresolved Claims), including any Person's legal counsel and financial advisors; (b) the Chairperson, the Secretary and the Scrutineers and the Secretary; (c) the Monitor and the Monitor's legal counsel; and (d) one or more representatives of the Board of Governors and/or senior management of the Applicant, and the Applicant's legal counsel. Any other person may be admitted to the Meeting only if approved by the Monitor, or on invitation of the Applicant, in consultation with the Chairperson.

The quorum for the Meeting is one Affected Creditor of the Applicant with a Proven Claim present in person or represented by proxy and entitled to vote at the applicable Meeting.

Voting at the Meeting

Affected Creditors Class

There is one class of Affected Creditors (the "**Affected Creditors Class**"). The vote on the Resolution requires a double majority to approve the Plan. This requires that a majority in number of the Affected Creditors of the Affected Creditors Class holding Proven Claims representing a two-thirds majority in value that is present and voting at the Meeting in person or by proxy votes in favour of the Plan (the "**Required Majority**"). Both components of the Required Majority must be met in order for the Plan to be approved. For illustrative purposes, the below example is provided:

- There are 70 creditors who are entitled to vote on the Plan but only 50 creditors attend the Meeting, either at the time of the Meeting or in advance by submitting a proxy to the Monitor
- The total value of the Proven Claims of those 50 creditors who attend the Meeting or submit a proxy is $10 million
- At least 26 creditors (a majority in number) must vote in favour of the plan
- Those creditors voting in favour of the plan must also have claims valued in the aggregate of at least $6.67 million (a two-thirds majority in value)

Voting

Affected Creditors will be entitled to one (1) vote equal to the dollar value of such Affected Creditor's Affected Claim determined as a Proven Claim in accordance with the Claims Process Orders and the Meeting Order. Unaffected Creditors are not entitled, in that capacity, to attend the Meeting or vote on the Plan because they are unaffected by it.

Any Affected Creditor with an Unresolved Claim as at the date of the Meeting may attend the Meeting, and such Unresolved Claim may be voted at the Meeting by such Affected Creditor (or its duly appointed proxyholder). Affected Creditors with Unresolved Claims will be entitled to one (1) vote equal to the dollar value of such Affected Creditor's Affected Claim as filed in accordance with the Claims Process Order and the Meeting Order. A vote cast in respect of an Unresolved Claim will be separately tabulated by the Monitor but shall not be counted for any purpose unless, until and only to the extent that such Unresolved Claim is finally determined to be a Proven Claim that is an Affected Claim.

All Affected Creditors with Proven Claims may vote by submitting a proxy (in which case they are not required to attend the Meeting) or may attend the Meeting virtually to vote by proxy or in person (virtually). If an Affected Creditor is a corporation, it must vote by proxy.

Any Affected Creditor that is entitled to vote at the Meeting may vote by: (a) attending the Meeting in person (virtually) and casting its vote in compliance with the voting instructions provided herein or at the Meeting; or (b) by proxy, in which case such Affected Creditor must: (i) duly complete and sign a proxy; (ii) specify in the proxy the name of any Person with the power to attend and vote at the Meeting on behalf of such Affected Creditor; and (iii) deliver such proxy to the Monitor on or before 10:00 a.m. (EST) on September 9, 2022, subject to a later date as the Applicant, with the consent of the Monitor, may agree in the event of an adjournment, postponement or other rescheduling of the Meeting, and such delivery must be made in accordance with the instructions accompanying such proxy.

Any proxy must be sent to the Monitor by email, fax, or mail such that it is received by the Monitor **by no later than 10:00 a.m. on September 9, 2022** or three (3) Business Days prior to any adjournment of the relevant Meeting (provided that the Monitor may waive strict compliance with the time limits imposed for receipt of a proxy if deemed advisable to do so by the Monitor, in consultation with the Applicant).

An Affected Creditor may indicate on the form of proxy how it wishes its proxyholder to vote. Proxies in favour of officers of the Monitor will be voted on any ballot that may be called for and, when the Affected Creditor has specified a choice, will be voted in accordance with that specification. **In the absence of any specification on the proxy, the proxy will be deemed to vote FOR approval of the Resolution.**

If the Monitor is named as proxyholder, the Affected Creditor's or holder of Unresolved Claim's vote will be registered at the Meeting in all circumstances. **If you name the Monitor as proxyholder and you do not indicate whether your vote is for or against the Resolution, the proxy will be deemed to vote FOR approval of the Resolution.**

If a proxy is not submitted or another individual is named as proxyholder, the Affected Creditor, holder of an Unresolved Claim or their proxyholder must be present at the Meeting or the vote will not be counted.

No accommodation will be made for Affected Creditors, holders of Unresolved Claims, or their proxyholders who are unable to access the Meeting and/or register their vote at the Meeting due to technical issues or for any other reason. Accordingly, even if you intend to submit a registration form and attend the Meeting, it is strongly recommended that you submit your vote in advance by proxy, and name the Monitor as proxyholder to ensure that your vote is counted.

Transfer and Assignment of Claims

An Affected Creditor may transfer or assign the whole of its Affected Claim prior to the Meeting. If an Affected Creditor transfers or assigns the whole of an Affected Claim to another Person, the transferee or assignee will not be entitled to attend and vote the transferred or assigned Affected Claim that is an Affected Claim at the Meeting unless the assigned Affected Claim is a Proven Claim (as defined in the Meeting Order).

VI. Recommendation of the Board of Governors

The Board of Governors has approved the Plan and has authorized its submission to the Affected Creditors for their approval and, subject to that approval, to the Court for approval. The Board of Governors of Laurentian recommend that Affected Creditors vote **FOR** the Resolution to approve the Plan. In arriving at its decision, the Board of Governors considered a number of factors and issues as a basis for concluding that the Plan is in the best interests of Laurentian.

The Board of Governors has also approved the contents of this Circular and has authorized its distribution to Affected Creditors.

Since February 1, 2021, the Board of Governors has met countless times and spent much of its time during these meetings directed at oversight of the restructuring process.

The Board of Governors has been assisted in its work by the CRO. The CRO was appointed by Court Order dated May 31, 2021. In addition to the CRO, Laurentian has also been assisted by Cushman & Wakefield as a real estate advisor to perform a review of its real estate portfolio. Laurentian also committed to a full-scale operational and governance review which was performed by Nous who issued its report in January 2022.

In making its recommendation that Affected Creditors vote FOR the resolution approving the Plan, the Board has given consideration to, among other things:

1. **Lack of alternatives to the Plan to achieve a viable university on emergence from the CCAA Proceedings.**

If the Plan is not approved, it is expected that Laurentian would have no alternative but to cease operations. Without Laurentian, many stakeholder groups would be impacted, including students, faculty, Indigenous communities, Francophones and Northern municipalities and businesses. Laurentian's impact on Northern Ontario is significant and is a vital aspect of its continued growth and success.

If the Plan is not approved, Laurentian is not able to continue operating and is liquidated, thousands of students would lose their access to a quality post-secondary education in Sudbury. If the operations of the university ceased, all employees would be terminated and the pension plan would be wound up.

The Plan provides for the restructuring of Laurentian which is expected to result in the continuation of the Pension Plan. As of the last actuarial valuation of the Pension Plan, performed as of July 1, 2021, the Pension Plan was approximately 71% funded on a hypothetical wind-up basis, with an estimated wind-up deficit of approximately $200 million. The Pension Plan deficit may increase or decrease over time depending on changes in interest rates, investment performance, pension legislation and other factors.

If the Plan is not accepted by the Requisite Majority of Affected Creditors at the Meeting and this results in a shut-down and termination of the University's operations, the Pension Plan would be wound up with a wind-up deficit. A Pension Plan wind-up would affect every Pension Plan member and beneficiary. A wind-up of the Pension Plan could result in the reduction of the pensions payable to active, former and retired members, surviving spouses and other beneficiaries. Pension Plan members, including retired members receiving a pension and former members who are entitled to a deferred pension or to the second installment of their pension commuted value could see a reduction to their pension entitlements based on the wind-up funded status of the Pension Plan at the wind-up date, plus any potential recovery that may be available, including from the Pension Benefits Guarantee Fund.

Except for Huntington University, each employer participating in the Pension Plan has the obligation to fund the pension deficits related to the pension benefits earned by their respective employees and former employees under the Pension Plan. The ability of each employer to fund these deficits will determine the amount by which Pension Plan entitlements may be required to be reduced if a Pension Plan wind-up occurs.

Under the Plan, the Monitor estimates that Affected Creditors with Proven Claims will recover between approximately 14.1% to 24.2% of the amount of their Proven Claims. The liquidation analysis prepared by the Monitor indicates recovery for unsecured creditors of between approximately 8.5% to 16.7% in a liquidation scenario. Failure to implement the Plan could result in Affected Creditors receiving significantly less value at a later unknown date. In particular, the financial support offered by the Province under the Plan Support Letter would not be available in a liquidation scenario.

The Board of Governors concluded that implementing the Plan would be superior to a liquidation of Laurentian due to higher, more certain and more timely estimated recoveries for Affected Creditors. Further, the Board concluded that the Plan Support Letter offers significant benefits over any alternative option to provide value for distribution to creditors.

2. Other Factors

The Board also considered a number of other factors relating to the Plan, including:

(a) the treatment of each stakeholder group having regard to relative legal priorities and to overall fairness between stakeholders in the circumstances;

(b) the financial condition of Laurentian upon emergence from CCAA protection, including liquidity and leverage and other factors affecting viability;

(c) the view of the Monitor;

(d) the advice of Laurentian's legal advisors, including with respect to the Plan and the considerations expected to be applied by the Court in connection with the Sanction Order;

(e) the advice of independent legal counsel to the Board of Governors;

(f) the opinions and views of management;

(g) the Plan approval procedures, including the requirement for the approval of Affected Creditors and the approval by the Court at which the fairness of the Plan will be considered;

(h) the circumstances leading to the Plan being presented to Affected Creditors;

(i) the risks to Laurentian if the Plan is not approved; and

(j) such other considerations as it deemed appropriate.

The foregoing description includes the principal factors and risks considered by the Board of Governors, but is not intended to be exhaustive of all of the factors considered, and, in view of the number and complexity of factors considered by the Board of Governors, the Board of Governors did not find it practicable to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors considered by it in making its recommendation (and individual members of the Board of Governors may have given different weights to different factors). The Board of Governors reached its recommendation based on the totality of the information presented to, and considered by it, through its deliberations.

The Board believes that the Plan will produce more favourable results for the Affected Creditors and other stakeholders of Laurentian than would a liquidation or sale of the underlying assets. The Plan provides Laurentian with an opportunity to continue as a university. Failure to implement the Plan could result in Affected Creditors and other creditors receiving significantly less value.

The Monitor has assisted Laurentian and the Board of Governors while at the same time, as an officer of the Court, independently keeping the Court and stakeholders apprised on financial and operational performance of Laurentian and the status of the restructuring process. The Monitor's recommendations and advice have been considered by the Board of Governors as a factor in their approval of the Plan. The Board of Governors agrees with the views of the Monitor that the most likely alternative to a Plan would be a termination of operations and a liquidation of the assets of Laurentian, and that the proceeds available in such circumstances would likely result in a less favourable result for Affected Creditors than they would receive under the Plan.

The Board of Governors is of the view that the implementation of the Plan as contemplated will provide that Laurentian is able to continue as a viable university in the North, having addressed its financial and governance issues.

VII. Recommendation of the Monitor

The Court, pursuant to the terms of the Initial Order, appointed Ernst & Young Inc. as Monitor. The Monitor has assisted in the development of the Plan.

The Monitor is of the view that implementation of the Plan is essential in order for Laurentian to continue operating in the ordinary course. If the Plan is not implemented, the Monitor believes that the most likely outcome is a liquidation of Laurentian's assets pursuant to the CCAA and/or the *Bankruptcy & Insolvency Act*. The Monitor, with the assistance of the Applicant, has prepared an illustrative estimate of the net realizable value of the Applicant's assets pursuant to a hypothetical liquidation commenced on April 30, 2022, and net proceeds available for distribution to Laurentian's creditors in accordance with their respective priorities. The Monitor's liquidation analysis, including the key assumptions thereto, is set out in the Monitor's Fourteenth Report.

The Monitor's analysis indicates that the estimated proceeds of realization in a liquidation will result in an estimated range of recovery for unsecured creditors of approximately 8.5% to 16.7%. For purposes of comparison, the priority of claims of "unsecured creditors" in a liquidation scenario are effectively equivalent to "Affected Creditors" under the Plan. The Monitor's analysis reflects certain additional liabilities that will crystallize in a liquidation, including but not limited to termination and severance claims in respect of all current faculty and staff, an estimated wind-up deficiency in the Applicant's defined benefit pension plan and post-filing CCAA claims. The analysis does <u>not</u> take into account other potential priority, deemed trust and unsecured claims (such as potential environmental claims or other claims or disputes) that could arise in a liquidation scenario resulting in a further reduction in anticipated recovery for unsecured creditors. The Monitor notes that it could take substantial time for such priority claims to be finally determined before any distributions could be made to creditors in a liquidation. In addition, the Monitor notes that if Laurentian is liquidated, the Applicant's pension plan will be wound up and the existing wind-up deficits are likely to result in a reduction of members' pensions.

Under the Plan put forward by Laurentian, based upon the claims filed pursuant to the Claims Process Order and the Compensation Claims Process Order and the provisions of the Plan, the Monitor estimates that each Affected Creditor with a Proven Claim will receive a distribution in the range of 14.1% to 24.2%. This represents the range of payment to Affected Creditors on their Proven Claims after taking into account payment in full of all CCAA Priority Claims, Secured Claims and Vacation Pay Compensation Claims. The exact amount of this distribution to Affected Creditors, and the timing of payment, depends on a variety of factors described in the Circular. The Plan provides for the ongoing operation of Laurentian, the continued access to university education in Sudbury for students, ongoing employment for hundreds of faculty and staff, and the continuation of the Applicant's pension plan.

The Meeting of Affected Creditors to consider the Plan is scheduled for September 14, 2022. The Monitor is of the view that the Plan will produce a higher percentage recovery for Affected Creditors than a liquidation of the Applicant's assets and a far more favourable result to Laurentian's stakeholders generally. **Accordingly, the Monitor recommends that Affected Creditors vote in favour of the Resolution to approve the Plan.**

APPENDIX "A"
GLOSSARY OF TERMS

In this Circular, other than Appendix "C", the below terms mean:

Administration Charge	The charge granted in the Initial Order, up to a maximum amount of $1,250,000 over the Applicant's property in favour of the Monitor, counsel to the Monitor, counsel to the Applicant, and advisors to the Applicant, as security for their professional fees and disbursements incurred at their respective standard rates and charges.
Administration Reserve	Has the meaning given in Section 6.2 of the Plan.
Affected Claims	All Claims other than Unaffected Claims.
Affected Creditor	A Creditor with an Affected Claim.
Applicable Law	Any law, statute, order, decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law, whether in Canada or any other country, or any domestic or foreign state, county, province, city or other political subdivision of any Governmental Authority.
Applicant	Laurentian University of Sudbury.
Board of Governors/Board	Board of Governors of Laurentian University of Sudbury.
Business	The business conducted by the Applicant consisting of the ongoing operation of a bilingual and tri-cultural post-secondary university in the City of Sudbury.
Business Day	A day other than a Saturday, Sunday, statutory or civic holiday in Sudbury, Ontario.
Bylaws	Bylaws of the Board of Governors of Laurentian University of Sudbury.
CCAA	*Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.
CCAA Charges	Collectively, the Administration Charge, the Directors' Charge, and the DIP Lender's Charge, as each term is defined in the Initial Order or the DIP Approval Order, as applicable.
CCAA Priority Claims	Claims that are required to be paid pursuant to sections 6(3), 6(5), and 6(6) of the CCAA.
CCAA Proceeding	The proceeding commenced by the Applicant pursuant to the CCAA on the Filing Date, bearing Court File No. CV-21-656040-00CL.

Chairperson	The representative of the Monitor who will act as the chair of the Meeting and decide all matters relating to the conduct of the Meeting.
Claims	Collectively, all: (a) Pre-Filing Claims, (b) Restructuring Claims, (c) D&O Claims, and (d) Compensation Claims.
Claims Bar Date	The claims bar dates as set out in the Claims Process Order or the Compensation Claims Process Order, as applicable.
Claims Process	The process to determine the validity and quantum of Claims pursuant to the Claims Process Order or the Compensation Claims Process Order, as applicable.
Claims Process Order	The Amended and Restated Claims Process Order granted by Chief Justice Morawetz dated May 31, 2021, as may be further amended.
Compensation Claim	The following claims against the Applicant:

(a) all claims in respect of the following:

(i) claims of any Employee or Retiree for amounts owing to him or her in his or her capacity as a current or former employee of the Applicant, including without limitation, claims on account of wages, salaries, any other form of compensation (whether sales-based, incentive-based, deferred, retention-based, share-based, or otherwise), termination or severance pay, employee benefits (including, but not limited to, medical and similar benefits, disability benefits, relocation or mobility benefits, and benefits under employee assistance programs), pension and retirement benefits (including the Pension Plan, RHBP and SuRP), vacation pay, and employee expenses;

(ii) claims of any Employee or Retiree arising from the administration, management or oversight of any of the pension plans or employee benefit plans administered or sponsored by the Applicant (including the Pension Plan, RHBP and SuRP); and

(iii) claims by any Employee or Retiree, or the surviving spouse or other beneficiary of any Employee or Retiree, for other amounts owing to such Person in their capacity as an Employee, as plan member, surviving spouse or other beneficiary of the plan, to the extent not already captured in subparagraphs (i) or (ii) above;

(b) claims by any Employee or Union (whether on behalf of an Employee or otherwise) in respect of grievances under any collective agreement to which the Applicant is party, whether such grievance arose prior to or after the Filing Date and is in respect of any matter that:

(i) is based in whole or in part on facts existing prior to the Filing Date, related to a time period prior to the Filing Date; or

(ii) arises as a result of the restructuring of the Applicant prior to the date of the Compensation Claims Process Order, including for greater certainty any grievance related to the Union Restructuring Agreements;

(c) claims by any Union arising pursuant to section 33(5) of the CCAA; and

(d) claims by any of the Third Parties, in each case made on behalf of any of their respective Third Party Employees, in each case solely in respect of any claims relating to the participation of their current or former employees in the RHBP.

For greater certainty, Compensation Claims shall not include any D&O Claims.

Compensation Claims Process Order	The Amended Compensation Claims Process Order granted by Chief Justice Morawetz dated August 17, 2021, as may be further amended.
Conditional Real Estate Agreement	Has the meaning given in Section 5.1 of the Plan.
Continuous Improvement Committee	The committee to be created to ensure that, once service-delivery and other operational processes, procedures, and policies have been reviewed and approved as contemplated in the Nous Operational Report, constant review occurs such that the Applicant is aware of best practices within the sector. The Continuous Improvement Committee will include representation from employee groups and other stakeholders.
Court	Ontario Superior Court of Justice (Commercial List).
Creditor	A Person with a Claim, including the transferee or assignee of a transferred Claim that is recognized as a Creditor by the Monitor in accordance with the Claims Process Order or the Compensation Claims Process Order, or a trustee, liquidator, receiver, receiver and manager or other Person acting on behalf of such Person.
CRO	Chief Redevelopment Officer Mr. Louis (Lou) Pagnutti, appointed by Order dated May 31, 2021.

Cure Period	Has the meaning given in Section 5.4 of the Plan.
D&O	Any Director or Officer who is or was or may be deemed to be or have been a director or officer of the Applicant, including any *de facto* director or officer of the Applicant at any time up to the Plan Implementation Date.
D&O Claim	Any right of any Person against the Directors or Officers of the Applicant, or any of them, that relates to any claim for which they might be liable as a result of any act or omission as a Director or Officer of the Applicant.
D&O Claims Bar Date	5:00 p.m. (prevailing Eastern Time) on July 30, 2021.
D&O Indemnity Claim	Has the meaning given in Section 6.1 of the Plan.
Designated Real Estate Assets	The specific real estate assets that may be identified in the future as being subject to a sale by the Applicant to: (a) the Province, or (b) as directed or consented to by the Province pursuant to the process described in Section 5 of the Plan.
DIP Approval Order	The Order granted by Chief Justice Morawetz dated January 27, 2022.
DIP Facility	The debtor-in-possession (DIP) financing in the principal amount of $35 million provided by the DIP Lender to the Applicant to effect a refinancing of the debtor-in-possession facility originally fully advanced by Firm Capital Corporation as original DIP lender, which refinancing occurred on January 29, 2022.
DIP Lender	Her Majesty the Queen in right of Ontario, as represented by the Minister of Colleges and Universities.
DIP Lender's Charge	The third-ranking charge granted in the DIP Approval Order as security for the Applicant's indebtedness and obligations under the DIP Facility.
DIP Loan Agreement	The DIP Loan Agreement dated January 19, 2022, between the DIP Lender and the Applicant, approved by the DIP Approval Order.
Directors	All current and former directors of the Applicant, and "Director" means any one of them, and for greater certainty includes any current or former member of the Board of Governors of the Applicant.
Directors' Charge	The second-ranking charge granted in the Initial Order up to a maximum amount of $2,000,000, and the fourth-ranking charge granted in the Initial Order up to a maximum amount of $3,000,000, in each case as security for the indemnity provided by the Applicant to the directors, officers, and the Board of Governors against obligations and liabilities that may be incurred as directors or officers of the Applicant after the Filing Date, save and except to the extent that any such liability was incurred as a result of gross negligence or wilful misconduct.

Distribution Date	One or more Business Days that distributions are made by the Monitor in accordance with the provisions of the Plan, the Sanction Order, and any other applicable Order made in the CCAA Proceeding.
Distribution Pool	A cash pool from which the Monitor shall make distributions in respect of CCAA Priority Claims, Secured Claims, Vacation Pay Compensation Claims, and Affected Claims, into which shall be deposited in accordance with this Plan: (i) the amount funded by the Applicant required to satisfy the CCAA Priority Claims, Secured Claims, and Vacation Pay Compensation Claims, in full in accordance with this Plan, and (ii) the Net Sale Proceeds, not exceeding the Plan Consideration, from the disposition of the Designated Real Estate Assets, less any amounts reimbursed to the Applicant in accordance with Section 5.3 of the Plan. For greater certainty, the aggregate deposits into the Distribution Pool from all sources, net of amounts reimbursed to the Applicant in accordance with Section 5.3 of the Plan, shall not in any circumstance exceed the Plan Consideration.
Distribution Record Date	The date that is seven (7) Business Days prior to the date that any distribution is made under the Plan.
Effective Time	The time on the Plan Implementation Date that the Monitor delivers its certificate in accordance with Section 10.3 of the Plan.
EI Confirmation	In respect of a Creditor with a Compensation Claim, confirmation from Employment and Social Development Canada of the amount, if any, owing by such Creditor pursuant to section 45 of the *Employment Insurance Act* (Canada).
Employee	The current and former employees of the Applicant.
Encumbrances	Any mortgage, charge, pledge, lien (statutory or otherwise), hypothec, security interest (whether contractual, statutory or otherwise), encumbrance, statutory or possessory lien, trust or deemed trust (whether contractual, statutory, or otherwise), execution, levy, charge, interest in property, or other financial or monetary claim or lease of personal property that creates a security interest, in respect of any assets that the Applicant owns, has an interest, or to which the Applicant is entitled or that secures payment or performance of an obligation, or similar charge of any kind.
Excluded D&O Claims	The 12 D&O Claims filed in the Claims Process on or before the D&O Claims Bar Date (none of which are being determined within the Claims Process) only as such D&O Claims are particularized in the corresponding proof(s) of claim filed in the Claims Process. For the avoidance of doubt, the Excluded D&O Claims are only the 12 D&O Claims filed in the Claims Process prior to the D&O Claims Bar Date, and for each such claim, an Excluded D&O Claim is strictly and narrowly defined to include only the specific claimant(s), specific defendant(s), specific cause(s) of action asserted, and maximum amount expressly asserted in each such proof of claim. In no way shall any part of this Plan be interpreted to define any demand of any kind by any form of entity (including any agent, successor, assign, administrator, or any other form of party) as an Excluded D&O Claim

that has not been filed in the Claims Process (and not expressly particularized in the associated proof(s) of claim), such claims having been barred and extinguished by the Claims Process Order, the Compensation Claims Process Order, the Meeting Order, and/or the applicable Claims Bar Dates. Notwithstanding the above, in respect of the Excluded D&O Claim filed by each of the Unions, it does not prevent each of those two Excluded D&O Claims from being pursued by one (but not both of): (i) the named Union; or (ii) a named individual LUSU or LUFA member as authorized representative on behalf of that Union's members, pursuant to Rule 12 of the Ontario *Rules of Civil Procedure* or to the *Class Proceedings Act, 1992*, provided that such Excluded D&O Claim brought by such named individual LUFA or LUSU representative shall be advanced on the same basis (including as to costs) as if advanced by LUFA or LUSU and shall continue to be strictly and narrowly limited to only the specific claimant(s) on whose behalf such claim was expressly asserted, and the specific defendant(s), specific cause(s) of action asserted, and maximum amount expressly asserted, in the proofs of claim filed by the Unions in the Claims Process on or before the D&O Claims Bar Date.

Exit Financier	A party who provides exit financing to the Applicant in an amount sufficient to fully and permanently repay the DIP Facility.
Exit Financing	A loan to be obtained by the Applicant, the proceeds of which are in an amount sufficient to fully and permanently repay the DIP Facility.
Exit Financing Documentation	The loan agreement and related documentation entered into by the Applicant and the Exit Financier in connection with the Exit Financing.
Exit Financing Facility	The Exit Financing facility to be entered into between the Applicant and the Exit Financier.
EY	Ernst & Young Inc. in respect of services provided to the Applicant before and after the Filing Date, including in respect of services provided in its capacity as Monitor, and including any of its affiliates, partners, officers, directors, employees, agents, subcontractors and legal counsel.
Filing Date	February 1, 2021.
Governmental Authority	Any government (including the Provinces and the Federal Government), regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

Grievance Resolution Process Order	The Grievance Resolution Process Order granted by Chief Justice Morawetz dated December 20, 2021.
Guaranteed Minimum Plan Consideration Amount	Has the meaning given in Section 5.4 of the Plan.
Huntington Released Claims	Has the meaning given in Section 2 of the Circular.
Implementation Steps	Has the meaning given in Section 4.1 of the Plan.
Initial Order	The Initial Order granted by Chief Justice Morawetz dated February 1, 2021, as amended and restated from time to time.
Insured Claims	Those Claims listed on Schedule "A" of the Plan.
LUFA	Laurentian University Faculty Association.
LUSU	Laurentian University Staff Union.
Material Post-Filing Grievances	A post-filing grievance that may jeopardize the ordinary course operations of the Applicant or may jeopardize the restructuring of the Applicant in any way due to the nature of the post-filing grievance.
Meeting	The meeting of Affected Creditors held pursuant to the Meeting Order to consider and vote on the Plan.
Meeting Order	An order to be obtained from the Court directing the calling and holding of a Meeting of Affected Creditors to consider and vote on the Plan, as such order may be amended from time to time.
Monitor	Ernst & Young Inc., solely in its capacity as the Court-appointed Monitor of the Applicant.
Monitor's Plan Implementation Certificate	The certificate referred to in Section 10.3 of the Plan.
Net Sale Proceeds	The remaining proceeds of sale after deducting all costs incurred by Laurentian in completing the sale of the Designated Real Estate Assets, including without limitation, if applicable, any relocation costs that may be necessary, the cost of renovating new space to make it suitable for the transfer of facilities, programs or people including moving from other buildings or premises, capital expenses incurred prior to the sale of the Designated Real Estate Assets, holding and carrying costs, taxes, professional fees including any consultants that may be required to assist

	with the process, and costs incurred in connection with the sale and transfer of the Designated Real Estate Assets.
Non-Released Claims	Any and all of: (a) the right to enforce the Unaffected Claims against the Applicant, to the extent that such Unaffected Claims are not paid in full pursuant to the Plan; (b) the right to enforce against the Applicant any of its obligations under the Plan, under the Sanction Order, or under any document delivered by the Applicant on the Plan Implementation Date pursuant to the Plan; (c) the right to assert the Excluded D&O Claims, but only by the specific claimant(s), against the specific D&Os named in the Excluded D&O Claims, for the specific cause(s) of action asserted and for the maximum amount expressly particularized in each corresponding proof of claim; (d) claims by EY, the CRO, counsel to the Applicant, counsel to the Monitor, and independent counsel to the Board, including as secured by the CCAA Charges; or (e) any claim against a Released Party if the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct.
NOSM Endowment Funds	The amount held in the investment account of the Applicant representing amounts received in respect of scholarships, bursaries and designated donations made by third parties for the benefit of NOSM University students, plus accumulated investment income and gains or losses, less amounts distributed to NOSM to fund such scholarships or bursaries, to be determined as at the Plan Implementation Date.[4]
NOSM University	Northern Ontario School of Medicine University.
Nous Governance Report	The Governance Review of Laurentian University Report dated January 2022.

[4] The amount of the NOSM Endowment Funds as of April 30, 2022, was $14.6 million. The actual amount of the NOSM Endowment Funds that will be transferred to NOSM will be updated to reflect further investment income and gain or losses earned on the NOSM Endowment Funds up to the month end prior to the Plan Implementation Date for which the most recently available monthly investment account statement is available. For purposes of determining investment income and gains or losses, the aggregate investment income, gains and losses in the Applicant's investment account will be allocated proportionately as between the NOSM Endowment Funds and other Laurentian endowment funds held in the investment account.

Nous Operational Report	The Operational Review of Laurentian University Report dated January 2022.
Officers	All current and former officers of the Applicant, and "Officer" means any one of them.
Order	Any final order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Authority.
Pension Plan	The Retirement Plan of Laurentian University of Sudbury, Registration No. 0267013, which is administered as a single employer pension plan under the *Pension Benefits Act*, R.S.O. 1990, c. P.8 and the regulations made thereunder, including all amendments made by the Applicant during the CCAA Proceeding.
Person	An individual, a corporation, a partnership, a limited liability company, a trust, an unincorporated association, a Governmental Authority or any agency, instrumentality or political subdivision of a Governmental Authority, or any other entity or body, which for greater certainty includes the Applicant.
Plan	This Plan of Compromise and Arrangement pursuant to the CCAA concerning, affecting and involving the Applicant and its D&Os, including all Schedules listed herein.
Plan Consideration	Has the meaning given in Section 5.2 of the Plan.
Plan Default	Has the meaning given in Section 5.4 of the Plan.
Plan Implementation Conditions	Has the meaning given in Section 10.1 of the Plan.
Plan Implementation Date	The date that the Monitor delivers to the Service List in the CCAA Proceeding the Monitor’s Plan Implementation Certificate.
Plan Support Letter	The letter from MCU’s external counsel, dated May 6, 2022, which outlines the terms of further financial support to be provided to Laurentian by the Province to help facilitate a successful Plan of Arrangement if accepted by Creditors.
Post-Plan Implementation Steps	Has the meaning given in Section 4.2 of the Plan.
Pre-Filing Claim	Any right of any Person against the Applicant, in connection with any indebtedness, liability or obligation of any kind of the Applicant whether liquidated, unliquidated, 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 in nature, including the right or ability of any Person to advance a claim for contribution or indemnity (including any claim by a Director or

	Officer against the Applicant for contribution and/or indemnity arising from any D&O Claim) for or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation (a) is based in whole or in part on facts existing prior to the Filing Date, (b) relates to a time period prior to the Filing Date, or (c) would have been a claim provable in bankruptcy had the Applicant become bankrupt on the Filing Date.
Pre-Filing Grievances	Grievances based in whole or in part on facts existing prior to the Filing Date, or related to a time period prior to the Filing Date.
Project Management Consultant	Has the meaning given in Section 4.2 of the Plan.
Proof of Claim	A proof of claim filed in accordance with the Claims Process Order or the Compensation Claims Process Order, as applicable.
Proven Claim	A Claim (or the portion thereof) that has been finally determined: (a) in the case of an Affected Claim, for voting and distribution purposes, and (b) in the case of an Unaffected Claim, for the purposes of any treatment thereof contemplated by the Plan.
Province	Her Majesty the Queen in right of Ontario and all of its ministries, agencies, and other entities.
Real Estate Purchase Agreement	Has the meaning given in Section 5.2 of the Plan.
Released Claims	In respect of the Released Parties, any and all demands of any kind, whether in respect of any debt, obligation, or property interest of any kind, claims (including claims for contribution or indemnity), actions, causes of action, counterclaims, suits, debts, sums of money or any manner of recovery, accounts, covenants, damages, judgments, orders (including orders for injunctive relief or specific performance and compliance orders), expenses, executions, Encumbrances, and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature, that any Person has or may be entitled to assert, whether or not asserted or filed, reduced to judgment, liquidated or unliquidated, fixed, contingent, known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, directly or by guarantee, surety or otherwise, and whether or not executory or anticipatory in nature, based in whole or in part on any right, act, omission, transaction, duty (including any legal, statutory, equitable or fiduciary duty or standard of care), responsibility, indebtedness, liability, obligation, dealing, matter or other occurrence existing or taking place at or prior to the Effective Time, or such later time as actions are taken to implement the Plan, that in any way relate to, or arise out of, or are in connection with: (a) any Claims;

(b) any Claim that has been barred or extinguished by the Claims Process Order, the Compensation Claims Process Order or the Meeting Order, including for greater certainty any Claim that has not been filed with the Monitor by the applicable Claims Bar Dates;

(c) any and all Pre-Filing Grievances, Restructuring Grievances, and Material Post-Filing Grievances by the Unions;

(d) the assets, obligations, Business, property or affairs of the Applicant;

(e) the administration and/or management of the Applicant (including but not limited to the Pension Plan and the RHBP);

(f) the CCAA Proceeding or any matter or thing relating to or occurring in or in connection with the CCAA Proceeding, including but not limited to the terms of the Plan (but for greater certainty not any enforcement of the terms of the Plan against the Applicant); or

(g) matters in respect of implementation of the Plan, either on or after the Plan Implementation Date;

but which, for greater certainty, and notwithstanding anything else contained herein, shall not include any Non-Released Claims.

Released Parties	Shall mean: (a) the Applicant (including in its capacity as administrator and sponsor of the Pension Plan), (b) the CRO, (c) EY, and (d) their respective Representatives.
Representatives	In relation to a Person, the directors, officers, partners, employees, consultants, legal counsel, actuaries, advisers, and agents, including their respective heirs, executors, administrators and other legal representatives, successors and assigns, and each of their respective employees and partners.
Required Majority	With respect to the class of Affected Creditors, the affirmative vote of a majority in number of all voting (in person or by proxy) Affected Creditors holding Affected Claims and representing not less than 66 2/3% in value of the Affected Claims voting (in person or by proxy) at the Meeting.
Resolution	The Resolution being voted on by Affected Creditors to approve the Plan.
Restructuring Claim	Any indebtedness, liability or obligation of any kind arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement or obligation on or after the Filing Date and whether such restructuring, termination, repudiation or disclaimer took place or takes place before or after the date of the Claims Process Order.

Restructuring Grievances	Grievances arising as a result of the restructuring of the Applicant prior to the date of the Compensation Claims Process Order, including for greater certainty any grievance related to the Union Restructuring Agreements.
Restructuring Steps	Together, the Implementation Steps and the Post-Plan Implementation Steps.
Retiree	A former employee of the Applicant who has retired from the Applicant, with such retirement being effective prior to April 30, 2021.
RFP	Request for Proposals.
RHBP	The Retirees Health Benefit Plan administered by the Applicant, including as it relates to Employees, Retirees, and Third Party Employees.
Sanction Order	An Order under the CCAA sanctioning the Plan and other relief contemplated in the Plan, as such order may be amended by any court of competent jurisdiction, in form and content satisfactory to the Applicant.
Sanction Hearing	The hearing in respect of the Sanction Order.
Schedules	Has the meaning given in Section 1.5 of the Plan.
Secured Claims	All Proven Claims of a Creditor, to the extent that it is determined in the Claims Process that such Claims are secured by a valid Encumbrance that is duly and properly registered or otherwise perfected in accordance with Applicable Law in the appropriate jurisdiction as of the Filing Date or thereafter pursuant to an Order, to the extent of the value of such Encumbrance as at the Filing Date (having regard to the value of the assets subject to such Encumbrance and the priority of such Encumbrance) and which Claim is entitled to be proven as a secured claim pursuant to the provisions of the CCAA.
Secured Creditor	Any Creditor with a Secured Claim.
Strategic Plan	Has the meaning given in Section 4.2 of the Plan.
SuRP	All supplementary pension arrangements including the Laurentian University Supplemental Retirement Plan and all individual contractual supplementary pension arrangements.
Third Parties	Huntington University, Thorneloe University, University of Sudbury, Sudbury Neutrino Observatory Laboratory, Mining Innovation Rehabilitation and Applied Research Corporation, and Centre for Excellence in Mining Innovation.
Third Party Employees	Any current or former employee of a Third Party, including any retirees or surviving spouses of retirees of the Third Party, who participated in the RHBP.

Transition Agreement	The agreement between Laurentian University and Huntington University dated April 16, 2021.
Unaffected Claim	Has the meaning given in Section 2.3 of the Plan.
Unaffected Creditor	A Creditor of the Applicant with an Unaffected Claim, but only as it relates to such portion of its Claim that is an Unaffected Claim, if any.
Undeliverable Distribution	Has the meaning given in Section 7.11 of the Plan.
Union Restructuring Agreements	(a) The term sheet, including its schedules (including for greater certainty, the Pension Term Sheet dated April 7, 2021, entered into between the Applicant and LUFA dated April 7, 2021; (b) the term sheet, including its schedules (including for greater certainty, the Pension Term Sheet dated April 7, 2021), entered into between the Applicant and LUSU dated April 5, 2021, and (c) the memorandum of understanding entered into between the Applicant and LUFA dated April 7, 2021.
Unions	Collectively, LUFA and LUSU.
Unresolved Claim	A Claim (or the portion thereof) in respect of which a Proof of Claim has been filed in a proper and timely manner or a notice of claim delivered by the Applicant or the Monitor, in each case prior to the applicable Claims Bar Dates in accordance with the Claims Process Order or the Compensation Claims Process Order, but which Claim has not been finally determined in accordance with the Claims Process Order or the Compensation Claims Process Order. For greater certainty, Unresolved Claims shall not include any Claims that have been disallowed in the Claims Process or the Compensation Claims Process, which disallowance constitutes a final determination of the Claim.
Unresolved Claims Reserve	Has the meaning given in Section 6.1 of the Plan.
Unresolved Secured Claim	An Unresolved Claim wherein the Proof of Claim asserts that such Claim (or a portion thereof) is secured by a valid Encumbrance.
Vacation Pay Compensation Claim	The Claim of a former employee for outstanding vacation pay equal to the difference, if any, between: (a) unpaid vacation pay owing to such former employee as of the last day of employment, and (b) any amounts required to be paid to the former employee pursuant to section 6(5) of the CCAA, as determined in accordance with the Compensation Claims Process Order.

The rules of interpretation set out in Section 1.2 of the Plan apply to this Circular.

APPENDIX "B"
PLAN RESOLUTION

RESOLVED that:

The plan of compromise and arrangement (the "**Plan**") of Laurentian University of Sudbury (the "**Applicant**") pursuant to the *Companies' Creditors Arrangement Act* (Canada) ("CCAA") set out at Appendix "C" to the Information Circular dated July 21, 2022 (the "**Circular**") is approved and authorized.

Notwithstanding that this resolution has been passed by the Affected Creditors of the Applicant, the Applicant may: (i) amend the Plan with the approval of the Ontario Superior Court of Justice or the Monitor (i.e., Ernst & Young Inc.) in accordance with the provisions of the Plan; or (ii) not proceed with the implementation of the Plan, in each case without further approval of Affected Creditors of the Applicant.

APPENDIX “C”
PLAN OF COMPROMISE AND ARRANGEMENT

Attached.