Grant Thornton

BionX Canada Inc. (referred to as "BionX")

<u>Frequently Asked Questions and Answers – March, 2018</u>

1. Grant Thornton is now the receiver, but what exactly does this mean?

A receiver is a licensed insolvency trustee in this case appointed by the Court. The Receiver is typically appointed to take possession of and sell the assets of the insolvent debtor(s) and distribute the proceeds to creditors in accordance with legal priorities.

In this case, pursuant to the Order of Justice McEwen of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated February 27, 2018 (the "**Receivership Order**"), Grant Thornton Limited was appointed as receiver and receiver and manager (in such capacities, the "**Receiver**") of the rights, property and assets of BionX.

The receivership proceedings will assist in the facilitation of a sale of BionX's assets and a distribution of the proceeds to BionX's creditors ("**Creditors**"), subject to the Court's approval.

2. What is happening during the receivership process?

The receivership process will provide a transparent and Court-supervised process to:

- Take possession of the assets of BionX, in doing so, safeguarding all assets;
- Manage the collection of receivables owing to BionX;
- Provide information to all creditors, including responding to reasonable requests for information from employees regarding their entitlements;
- Market and, subject to court approval, sell the property of BionX through an expedited sale process; and
- Distribute the proceeds of any sale of BionX's assets to Creditors according to legal priorities, subject to Court approval.

3. What is the function of the Receiver?

The Receiver's duties are set out in the *Bankruptcy and Insolvency Act*, the Receivership Order, applicable law and any further orders of the Court that may be made during the receivership proceedings. The Receiver is a Court officer who, among other things, acts impartially for the benefit of the general body of creditors and stakeholders and reports to the Court, as required. The Receiver's primary objective is to maximize the recovery from the sale of BionX's assets for distribution to the BionX Creditors.

Further communications and court documents related to the receivership proceedings will be posted on the Receiver's website at: https://www.grantthornton.ca/bionx

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4. Will after-sales services be maintained by the Receiver during the receivership?

[After-sales services include but are not limited to any warranties or technical support provided by BionX during the normal course of business.]

No. As a consequence of the financial state of BionX prior to the receivership, the Receiver has minimal funding available in the receivership. At this time the Receiver is not in a position to maintain after-sales services.

Should any consumers require after-sales services or repairs, we ask that you please liaise directly with your dealer. Dealers that require additional parts to service claims may contact the Receiver (details provided on following page) to enquire as to whether there are parts available.

We appreciate all of BionX's customers' patience and support during the receivership.

5. Will the Receiver complete projects during the receivership, including the conversion of raw materials to finished goods to be sold to customers?

Some model kits may be assembled during the receivership, limited to the inventory currently on hand. Should you wish to purchase any of these model kits, please contact the Receiver (details provided on following page).

The Receiver is currently assessing the viability of future production.

6. Will BionX Bike Interface be maintained during the receivership?

At this stage, yes. The Receiver will endeavor to maintain the BionX Bike Interface while the sale process is undertaken.

The Receiver cannot commit or guarantee as to whether the BionX Bike Interface will be maintained following any post-sale of the BionX assets or at all.

7. How do I register my interest in the sale of BionX assets?

Please register your interest via email to Jason.Knight@ca.gt.com and you will be notified of each specific milestone occurring during the sale process.

8. How long will the receivership administration take?

It is too early in the proceedings to say definitively how long the receivership proceedings will take. However, pursuant to the Receivership Order, the Receiver will manage a 90 day sale process to sell the assets of BionX.

9. How often will the Receiver be reporting to Creditors?

The Receiver will be reporting to stakeholders regularly, as circumstances warrant ensuring that stakeholders are kept up to date on the receivership proceedings. Further communications will be posted on the Receiver's website at www.GrantThornton.ca/Bionx. The Receiver will also send by email to all Creditors (based on the email addresses contained in BionX books and records) the website link to Court materials filed in these proceedings.

10. If I have other questions about the receivership proceedings, who can I contact?

The Receiver's staff are contactable via email and telephone, as specified below:

The Receiver – Grant Thornton Limited

Website:	www.GrantThornton.ca/Bionx
Email:	bionx@ca.gt.com
Toll Free Number:	1-855-747-2647
Local Number:	1-416-607-8859