

Frequently Asked Questions – Claims Procedure Order

On April 13, 2018, the Ontario Superior Court of Justice (the “**Court**”) issued a Claims Procedure Order (the “**Claims Procedure Order**”) in respect of Tarn Financial Corporation (“**Tarn Financial**”). Pursuant to the Claims Procedure Order, the Court approved and established a procedure for the solicitation, resolution and barring of certain claims against Tarn Financial (the “**Claims Process**”).

These Frequently Asked Questions should be read in conjunction with the Claims Procedure Order that is located on the Liquidator’s website at www.kpmg.com/ca/tarn (the “**Website**”). All capitalized terms have the same meaning given to them in the Claims Procedure Order unless otherwise defined.

1. What is the Claims Process?

The Claims Process is a Court approved procedure whereby any Person that believes it has a Claim against Tarn Financial can deliver a Proof of Claim to the Liquidator in respect of that Claim. The Claims Process also sets out the process for the Liquidator to follow when reviewing and determining Claims received.

2. Who is required to file a Proof of Claim in the Claims Process?

Any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity, that believes it is owed money by Tarn Financial as of September 25, 2017 is required to deliver a completed Proof of Claim to the Liquidator.

3. Who will receive the Claims Process Notice and Proof of Claim that is sent by the Liquidator?

The Liquidator will send the Claims Process Notice and Proof of Claim by Friday, April 20, 2018 to: (i) all known creditors of Tarn Financial as at September 25, 2017 as evidenced by the books and records of Tarn Financial; and (ii) all persons who have notified the Liquidator of a potential Claim. In addition, out of an abundance of caution, the Liquidator will also be delivering this package to all known creditors of Tarn Construction Corporation, a wholly owned subsidiary of Tarn Financial.

4. Where can I find a copy of the Claims Process Notice and Proof of Claim?

The Claims Process Notice and the Proof of Claim form are attached to the Claims Procedure Order as Schedules “A” and “B”, respectively. Copies of the

Claims Process Notice and Proof of Claim are also posted on the Website at www.kpmg.com/ca/tarn.

5. What Claims are excluded from the Claims Process?

Any claims for amounts due for goods or services supplied to Tarn Financial on or after September 25, 2017 are excluded from the Claims Process. A Proof of Claim should not be submitted to the Liquidator on account of such claims.

6. What is the Claims Bar Date and what is the significance of that date?

The Claims Bar Date is 5:00 p.m. Eastern Standard time on June 15, 2018, or any later date ordered by the Court. All Claimants must submit their Proof of Claim to the Liquidator on or before the Claims Bar Date. Claims that are not received by the Liquidator by the Claims Bar Date will be forever extinguished and barred.

7. What happens if a Claim is denominated in a foreign currency?

Any Claims denominated in a foreign currency will be converted by the Liquidator to Canadian dollars using the Bank of Canada's exchange rate, in effect at noon on September 25, 2017.

8. What happens after a Proof of Claim is submitted to the Liquidator?

Following the Claims Bar Date, the Liquidator will review all Proofs of Claim received by the Claims Bar Date. The Liquidator will review the Claim and any supporting documentation and will to determine whether to allow, partially allow or disallow the Claim.

9. How will the Liquidator notify Claimants of its determination of Claims?

The Liquidator will deliver a written Notice of Determination of Claim to all Claimants that submitted a Claim by the Claims Bar Date, which will set out the Liquidator's determination of the Claim and the reasons for such determination.

10. What actions can Claimants take if they disagree with the Liquidator's determination of their Claim?

Claimants wishing to dispute the Liquidator's determination can do so by delivering a written Notice of Objection to the Liquidator by no later than 5:00 p.m. on the day which is fourteen (14) days after receipt of the Notice of Determination of Claim.

11. How will the Liquidator resolve a Notice of Objection received in accordance with the Claims Procedure Order?

The Liquidator may attempt to settle the dispute directly with the Claimant. In the event a settlement is not achieved, the Liquidator may either direct the dispute to a claims officer (which is a person that would be appointed by the Court on application by the Liquidator to adjudicate the disputed Claim) or the Liquidator may seek directions from the Court on an appropriate process for resolving the disputed Claim.

12. Where can I find a copy of the Notice of Objection?

The Notice of Objection is appended as Schedule "D" to the Claims Procedure Order. A copy of the Notice of Objection is also posted on the Website at www.kpmg.com/ca/tarn.

13. Will distributions be made to Claimants under the Claims Process?

The Claims Process is used to determine the amount owing to creditors of Tarn Financial. The Liquidator will use the results of the Claims Process to make distributions to creditors. However, at this time, the timing and quantum of any distribution is unknown. Any distribution made will be made pursuant to a further Order of the Court.