

This is the 2<sup>nd</sup> Affidavit of William E. Aziz in this case and was made on June 17, 2016

NO. S-1510120  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
WALTER ENERGY CANADA HOLDINGS, INC. AND THE OTHER  
PETITIONERS LISTED ON SCHEDULE "A"

PETITIONERS

**AFFIDAVIT**

I, **WILLIAM E. AZIZ**, Chief Restructuring Officer, of the Town of Oakville, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the President of BlueTree Advisors Inc. ("**BlueTree**"), which has been retained by Walter Energy Canada Holdings, Inc. ("**Walter Energy Canada**") to provide my services as Chief Restructuring Officer ("**CRO**") to Walter Energy Canada, its direct and indirect subsidiaries and affiliates listed on Schedule "A" (collectively with Walter Energy Canada, the "**Canadian Petitioners**") and the partnerships listed on Schedule "C" to the Order of this Honourable Court made on December 7, 2015 (the "**Initial Order**") (collectively with the Canadian Petitioners, the "**Walter Canada Group**"). As such I have personal knowledge of the facts hereinafter deposed, except where such facts are stated to be based upon information and belief and where so stated I do verily believe the same to be true.
2. This Affidavit is made in support of a motion by the Canadian Petitioners for an Order under the *Companies' Creditors Arrangement Act*, 1985, c. C-36, as amended (the "**CCAA**") extending the stay of proceedings in respect of the Walter Canada Group to October 12, 2016.

3. I was retained pursuant to an engagement letter dated December 30, 2015 (the "**BlueTree Engagement Letter**"), as amended in response to certain requests made by Walter Canada Group stakeholders. BlueTree was appointed as CRO of the Walter Canada Group pursuant to paragraph 9 of the January 5<sup>th</sup> Order.
4. As the CRO of the Walter Canada Group, in accordance with the January 5<sup>th</sup> Order, I have the authority to direct the Walter Canada Group's Sales and Investment Solicitation Process ("**SISP**"), to engage in consultation and negotiation with stakeholders regarding the SISP, and to engage in such other matters as are set out in the BlueTree Engagement Letter.
5. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the SISP, the January 5<sup>th</sup> Order, the first affidavit of William G. Harvey, sworn December 4, 2015 (the "**First Harvey Affidavit**") and the other pleadings filed herein.
6. The information in this affidavit is arranged under the following headings:
  - I. **Update Regarding SISP** .....2
  - II. **Parallel Liquidation Process** .....4
  - III. **Amendment to PJT Partners LP Engagement Letter**.....5
  - IV. **Selenium Biochemical Reactor** .....5
  - V. **1974 Pension Plan** .....6
  - VI. **Severe Rainstorm in Northeastern British Columbia** .....6
  - VII. **Stay Extension** .....6
- I. **UPDATE REGARDING SISP**
7. As described in my first affidavit sworn on March 22, 2016 in these proceedings (the "**First Aziz Affidavit**"), the Walter Canada Group's financial advisor, PJT Partners LP, began canvassing the market in an attempt to find a purchaser for the assets of the Walter Canada Group prior to the CCAA filing, including as part of its broad canvassing of the market in respect of all the assets of the Walter Group in relation to the Chapter 11 proceedings underway in respect of certain members of the Walter U.S. Group.
8. The SISP was approved pursuant to paragraph 14 of the January 5<sup>th</sup> Order.

9. The SISP provides for Prospective Bidders to submit an LOI or a Bid involving an Investment Proposal and/or a Sale Proposal.
10. In accordance with the terms of the SISP, PJT Partners LP launched Phase 1 of the SISP on January 18, 2016 by sending a teaser letter and a draft non-disclosure agreement ("**NDA**") to interested parties to solicit indications of interest in the business and assets of the Walter Canada Group in the form of non-binding letters of intent from various potential bidders. PJT Partners LP has contacted numerous parties, including financial buyers and strategic buyers based in Canada, the United States and internationally. Financial buyers were selected based on their past experience in the mining sector, previous investments in turnaround situations and ability and willingness to deploy capital quickly. Strategic buyers included companies in the mining sector and the steel sector.
11. A number of the parties who were contacted executed NDAs and conducted due diligence on the Walter Canada Group.
12. The Phase 1 LOI Deadline was March 18, 2016. On or before the Phase 1 LOI Deadline, the Walter Canada Group received a number of LOIs. In accordance with the SISP, I reviewed the LOIs with PJT Partners LP and the Monitor, determined that certain LOIs were Qualified LOIs and concluded that there was a reasonable prospect of obtaining a binding Bid.
13. Commencing on March 30, 2016, PJT Partners LP began notifying certain of the Prospective Bidders that the SISP would progress to Phase 2. A form of asset purchase agreement was also posted to the Due Diligence Access site.
14. Since the commencement of Phase 2 of the SISP, the Walter Canada Group, its counsel, the Monitor and I have been involved with PJT Partners LP in negotiating with Bidders and assisting Bidders with due diligence. The Walter Canada Group has taken, among others, the following steps:
  - (a) The dataroom has been populated with further due diligence information. The collection of due diligence materials for the SISP is now substantially completed, however, follow-on requests continue to arise and be responded to;
  - (b) PJT Partners LP has had multiple calls and conversations with most of the Bidders;
  - (c) The Walter Canada Group has facilitated a number of discussions among Bidders and the Walter Canada Group's stakeholders;
  - (d) The Walter Canada Group has arranged for Bidders to tour of the Walter Canada Group's mines in Northeastern British Columbia; and

- (e) The Walter Canada Group has facilitated arrangements for certain Bidders to tour the Aberpergwm mine operated by the Walter Canada Group's subsidiary Energybuild Ltd., located in Wales.
- 15. The SISP provides that in order for a bid to be considered a Qualified Bid, it must satisfy certain conditions and be submitted by May 27, 2016 (the "**Phase 2 Bid Deadline**"), unless the CRO, in consultation with PJT Partners LP and the Monitor, in its discretion, deems a Bid to be a Qualified Bid despite such Bid not satisfying all the conditions set out in the SISP or being received after the Phase 2 Bid Deadline. The SISP provided that the Phase 2 Bid Deadline may be extended by the CRO, in consultation with PJT Partners LP and the Monitor. In response to feedback from Bidders, I determined, in consultation with PJT Partners LP and the Monitor, to extend the Bid Deadline to June 10, 2016.
- 16. On or before June 10, 2016, the Walter Canada Group received a number of bids. In accordance with the SISP, I am reviewing the bids with PJT Partners LP and the Monitor. I have instructed PJT Partners LP to have discussions with certain of the Bidders to clarify aspects of their bids in order to identify whether there is a bid or combination of bids that can lead to an outcome that is most advantageous to the Walter Canada Group and its stakeholders. The Walter Canada Group is continuing to work and negotiate with certain of the Bidders in order to determine if an agreement for a sale transaction can be brought before this Honourable Court for approval or whether an alternative approach is preferable.
- 17. It is currently anticipated that the Walter Canada Group will be seeking further relief from this Honourable Court with respect to a transaction during the proposed extended Stay Period.

## II. **PARALLEL LIQUIDATION PROCESS**

- 18. In conjunction with the SISP, the Walter Canada Group launched a separate request for liquidation proposal process for its assets (the "**Liquidation Alternative**"). On February 1, 2016, the Monitor, on behalf of the Walter Canada Group, sent a letter requesting liquidation proposals to a number of liquidators, many of whom have expressed interest in acting as the liquidator in the event that a Bid under the SISP cannot be executed. The Liquidation Alternative and any attendant reclamation activities are intended to assist with the assessment of the value of any LOIs or Bids received and to address circumstances where no executable Bid is obtained under the SISP for one or more of the mines at comparable or greater value.
- 19. The deadline for submitting liquidation proposals was on March 18, 2016. A number of prospective liquidators conducted site visits to examine the assets prior to the liquidation proposal deadline.

20. On the liquidation proposal deadline, the Monitor, on behalf of the Walter Canada Group, received a number of liquidation proposals. I have reviewed the liquidation proposals with the Monitor and the Monitor clarified that several of these proposals will remain open for acceptance until June 30, 2016, the original outside date for the closing of a going concern transaction pursuant to the SISP.
21. As a result of the extension of the Phase 2 Bid Deadline, the requests received from the Bidders and the steps to be taken to clarify bids described above, I have decided, in consultation with the Monitor and PJT Partners LP, to extend the Outside Termination Date (as defined in the SISP) for the closing of a going concern transaction to July 30, 2016 pursuant to the SISP. The Monitor is working to obtain clarification that the remaining liquidation proposals will remain open for acceptance until that date.

### III. **AMENDMENT TO PJT PARTNERS LP ENGAGEMENT LETTER**

22. In its Order dated January 5, 2016, this Honourable Court approved the engagement of PJT Partners LP to act as Financial Advisor to the Walter Canada Group pursuant to the engagement letter attached as Exhibit D to the Second Affidavit of William G. Harvey sworn December 31, 2015 (the "**PJT Engagement Letter**").
23. As described to this Honourable Court on March 30, 2016, the Walter U.S. Group will not be undergoing a Chapter 7 proceeding under the U.S. Bankruptcy Code as originally anticipated. Rather, I have been advised that the U.S. Group will use a "structured dismissal" to wind-up over the next few months. As such, the Walter Canada Group has agreed to amend the PJT Engagement Letter so that the payment of the work fee by the Walter Canada Group commenced upon closing of the sale of the assets of the Walter U.S. Group. No other material changes to the PJT Engagement Letter were made. A copy of the amended and restated PJT Engagement Letter dated April 1, 2016 (the "**Amended and Restated PJT Engagement Letter**") is attached as **Exhibit "A"** to this Affidavit and a blackline showing the changes made to the Amended and Restated PJT Engagement Letter is attached as **Exhibit "B"** to this Affidavit.

### IV. **SELENIUM BIOCHEMICAL REACTOR**

24. As explained in the First Harvey Affidavit, the Walter Canada Group has experienced some difficulties meeting the revised provincial water quality guidelines relating to selenium levels at the Brule Mine. The Walter Canada Group has constructed a biochemical reactor (or bioreactor) at the Brule Mine to treat selenium as contemplated by the relevant permits and the selenium management plan associated with the Brule Mine.

25. As explained in the First Aziz Affidavit, the bioreactor is not functioning as intended due to consistently low water levels in the bioreactor. Certain repairs are needed to address this issue. Since the swearing of the First Aziz Affidavit, the Walter Canada Group has negotiated and entered into a contract with a consulting firm to design a repair to the biochemical reactor. The repair design is nearing completion and the Walter Canada Group is the process of retaining a construction company to complete the repairs. Repairs are expected to commence starting in July, 2016.
26. The Walter Canada Group has provided updates regarding the issues associated with the bioreactor as well as the plans for repairs to the Ministry of Environment and the Ministry of Energy and Mines in the annual reports required by both ministries. The Walter Canada Group also received correspondence from Environment Canada in connection with the selenium levels at the Brule and Willow Creek Mines and Walter Canada Group has responded to that correspondence.

**V. 1974 PENSION PLAN**

27. The Walter Canada Group has negotiated a non-disclosure agreement with the United Mine Workers of America 1974 Pension Plan and Trust (the "**1974 Plan**") and communicated with the 1974 Plan's counsel regarding the status of the SISP. Counsel to the 1974 Plan was provided with summaries of the indicative offers received at the conclusion of Phase 1 of the SISP and was provided with an update on the current status of the SISP.
28. The Walter Canada Group and the Monitor are in the process of reviewing the claim made against the Walter Canada Group by the 1974 Plan. Counsel to the Walter Canada Group has requested that any additional support for the 1974 Plan's claim be provided.

**VI. SEVERE RAINSTORM IN NORTHEASTERN BRITISH COLUMBIA**

29. The cities of Tumbler Ridge and Chetwynd and the surrounding areas, including the Walter Canada Group mines located in that area, were affected by the recent severe rainstorm. Certain roads in the area are washed out. The Walter Canada Group will be assessing the impact of the storm over the coming days.

**VII. STAY EXTENSION**

30. The Walter Canada Group was granted protection from their creditors under the CCAA pursuant to the Initial Order. The Initial Order granted, *inter alia*, a stay of proceedings until January 6, 2016, or such later date as this Honourable Court may order (the "**Stay Period**"). On January 5,

2016, this Honourable Court extended the Stay Period until and including April 5, 2016. On March 30, 2016, this Honourable Court extended the Stay Period until and including June 24, 2016.


31. The Walter Canada Group has been proceeding in good faith and with due diligence to effect a restructuring under the CCAA, including by completing a sale pursuant to the SISP. In addition to the activities outlined above and in my previous affidavit, since my appointment as CRO I have, among other things:
- (a) Met with government representatives to discuss the status of the CCAA proceedings and the SISP and engaged in further discussions and correspondence with government representatives regarding various matters;
  - (b) Met with other creditors and interested parties to discuss the status of the CCAA proceedings and certain outstanding claims;
  - (c) Completed the process to eliminate the need for the provision of any Shared Services by the Walter U.S. Group such that the Walter Canada Group is now fully independent from Walter Energy U.S.;
  - (d) Negotiated the final amount to be paid to Walter Energy U.S. for the provision of the Shared Services;
  - (e) Obtained from the Walter U.S. Group, to the best of the Walter Canada Group's knowledge, a full copy of the Walter Canada Group's books and records, including physical copies now in storage in Vancouver;
  - (f) Obtained new insurance policies for the Walter Canada Group;
  - (g) Attended to governance matters relating to the Walter U.K. Group (as defined in the January 5<sup>th</sup> Order);
  - (h) Attended to various ongoing monitoring and other activities to preserve the mine sites in care and maintenance;
  - (i) Consented to a lift the stay to allow an action related to a car accident to proceed. Walter Energy Canada has been named as a third party defendant and the claim is insured;
  - (j) Sold a house owned by the Walter Canada Group in Chetwynd, British Columbia;
  - (k) Engaged in discussions with government authorities, including representatives of the Ministry of Energy and Mines, the Ministry of Environment and Environment Canada;
  - (l) Engaged with representatives of certain First Nations regarding certain matters; and
  - (m) Attended to Canada Revenue Agency audits.
32. The extension of the Stay Period to October 12, 2016 is requested to allow the Walter Canada Group to continue to work in consultation with its advisors and the Monitor toward the sale of the

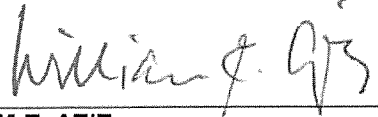
assets of the Walter Canada Group with the objective of obtaining the best possible result for the benefit of all stakeholders.

33. An extension of the stay to October 12, 2016 would provide sufficient time for the Walter Canada Group, in consultation with the Monitor, to negotiate and clarify the offers that have been received to date and, if I determine, in consultation with PJT Partners LP and the Monitor, that it is in the best interests of the Walter Canada Group and its stakeholders that one or more of the offers be accepted, seek this Honourable Court's approval of such transaction.
34. During the Stay Period, it is anticipated that the Walter Canada Group will bring a motion for approval of a going concern sale, or, if it is determined that an alternative course is more beneficial for the Walter Canada Group and its stakeholders, that the Walter Canada Group will bring a motion for approval of that alternative course.
35. It is also anticipated that the Walter Canada Group will bring a motion for approval of a claims procedure during the extended Stay Period to permit creditors of the Walter Canada Group to prove their claims.
36. From my review of the current cash flow projections, I do verily believe that the Walter Canada Group will have sufficient operating cash to continue operations during the proposed extended Stay Period. An extension of the Stay Period through to October 12, 2016 will provide the Walter Canada Group, PJT Partners LP and the Monitor with the best opportunity in the circumstances to seek a going concern outcome for the Walter Canada Group and to avoid a need to wind-down the Walter Canada Group's operations and commence reclamation of the Walter Canada Group's mines.
37. It is my understanding that the Monitor supports the extension of the Stay Period and will file a report attaching cash flow forecasts that demonstrate, subject to the assumptions more fully set out in the report, that the Walter Canada Group has sufficient liquidity to continue its operations as currently conducted through to the end of the proposed extended stay period, including the ongoing care and maintenance of the mines.
38. The Walter Canada Group has been acting in good faith and with due diligence in these proceedings.



39. It is in the best interests of the Walter Canada Group and all their stakeholders that the Stay Period be extended to October 12, 2016 to enable the Walter Canada Group to carry out the SISP.

SWORN BEFORE ME at the City of Toronto, in )  
the Province of Ontario, on June 17, 2016. )  
 )  
\_\_\_\_\_)  
Commissioner for Taking Affidavits and Notary )  
Public in the Province of Ontario )

  
\_\_\_\_\_)  
**WILLIAM E. AZIZ**

**SCHEDULE "A"**

**Petitioners**

1. Walter Canadian Coal ULC
2. Wolverine Coal ULC
3. Brule Coal ULC
4. Cambrian Energybuild Holdings ULC
5. Willow Creek Coal ULC
6. Pine Valley Coal, Ltd.
7. 0541237 B.C. Ltd.

This is Exhibit "A" referred to in Affidavit #2 of **William E. Aziz** sworn June 17, 2016 at Toronto, Ontario.



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Commissioner for Taking Affidavits and  
Notary Public in the Province of Ontario

PJT Partners



April 1, 2016

Marc Wasserman  
 Osler, Hoskin & Harcourt LLP  
 100 King Street West  
 1 First Canadian Place  
 Suite 6200, P.O. Box 50  
 Toronto ON M5X 1B

Dear Marc:

This letter confirms the understanding and agreement (the "**Agreement**") between PJT Partners LP ("**PJT Partners**") and Osler, Hoskin & Harcourt LLP ("**Counsel**"), as counsel to Walter Energy Canada Holdings, Inc. (together with any affiliates and subsidiaries, the "**Company**"), regarding the retention of PJT Partners on an exclusive basis by Counsel effective as of December 7, 2015 (the "**Effective Date**") as the Company's investment banker for the purposes set forth herein. PJT Partners, Counsel, and the Company each agree that this Agreement shall amend and restate in full the letter agreement dated December 31, 2015, which shall be of no further force or effect.

Under this Agreement, PJT Partners will provide investment banking services to Counsel in connection with a possible restructuring of certain liabilities of the Company and the sale, merger or other disposition of all or a portion of the capital stock or assets of the Company (a "**Transaction**"), and will assist Counsel in analyzing, structuring, negotiating and effecting the Restructuring or Transaction pursuant to the terms and conditions of this Agreement; provided, for greater certainty, that a Transaction shall not include a liquidation of the Company's assets by auctioneers or other liquidators after or resulting from the discontinuation of an SISP (as defined below). As used in this Agreement, the term "**Restructuring**" shall mean, collectively, (i) any restructuring, reorganization and/or recapitalization of the Company and/or sale or other disposition of substantially all of the assets of the Company affecting existing or potential debt obligations or other claims, including, without limitation, senior debt, junior debt, trade claims, general unsecured claims, and preferred stock (collectively, the "**Obligations**"), whether or not pursuant to the Canada Business Corporations Act ("**CBCA**"), comparable provincial legislation, the Companies' Creditors Arrangement Act ("**CCAA**") or the Bankruptcy and Insolvency Act ("**BIA**") in Canada, and/or (ii) any complete or partial repurchase, refinancing, extension or repayment by the Company of any of the Obligations, whether or not under the CBCA, CCAA or BIA.

The investment banking services to be rendered by PJT Partners may include the following:

- (a) advise the Company in the sale, merger or other disposition of all or a portion of the Company or its assets;

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A handwritten signature in black ink, appearing to read 'DLS'.

- (b) assist the Company in preparing marketing materials in conjunction with a possible Transaction;
- (c) develop of a list of potential purchasers for a Transaction and consult with the Company and the Monitor from time to time as to such potential purchasers;
- (d) assist the Company and the Monitor in designing an appropriate sale and investment solicitation process ("SISP") and in in running such SISP
- (e) assist the Company to develop due diligence materials and manage the due diligence process for interested parties;
- (f) assist and advise the Company concerning the terms, conditions and impact of any proposed Transaction;
- (g) assist in the evaluation of the Company's businesses and prospects;
- (h) assist in the development of the Company's long-term business plan and related financial projections;
- (i) assist in the development of financial data and presentations to the Company's Board of Directors, various creditors and other third parties;
- (j) analyze various restructuring scenarios and the potential impact of these scenarios on the recoveries of those stakeholders impacted by the Restructuring;
- (k) provide strategic advice with regard to restructuring or refinancing the Company's Obligations;
- (l) evaluate the Company's debt capacity and alternative capital structures;
- (m) participate in negotiations among the Company and its creditors, suppliers, lessors and other interested parties;
- (n) value securities offered by the Company in connection with a Restructuring;
- (o) advise the Company and negotiate with lenders with respect to potential waivers or amendments of various credit facilities;
- (p) assist in arranging financing for the Company, as requested;
- (q) assist in the preparation of affidavit evidence in the event of an in court restructuring under the CCAA, BIA or CBCA; and
- (r) provide such other advisory services as are customarily provided in connection with the analysis and negotiation of a Restructuring or a Transaction, as requested and mutually agreed.

Notwithstanding anything contained in this Agreement to the contrary, PJT Partners shall have no responsibility for designing or implementing any initiatives to improve the Company's operations, profitability, cash management or liquidity. PJT Partners makes no representations or warranties about the Company's ability to (i) successfully improve its operations, (ii) maintain or secure sufficient liquidity to operate its business, or (iii) successfully complete a Restructuring. PJT Partners is retained under this Agreement solely to provide advice regarding a Restructuring or a Transaction, and is not being retained to provide "crisis management."

It is agreed that the Company will pay the following fees to PJT Partners for its investment banking services (all fees and expenses payable to PJT Partners pursuant to this Agreement shall be payable solely by the Company; Counsel shall have no obligation to pay PJT Partners' fees or expenses):

- (i) a monthly advisory fee (the "Monthly Fee") in the amount of USD\$100,000, per month, in cash, with the first Monthly Fee payable upon the day after the Company's ultimate parent, Walter Energy, Inc., closes the sale of substantially all of its assets (the "Sale Date") as part of its current chapter 11 cases that are jointly administered by the United States Bankruptcy Court, Northern District of Alabama (Case No. 15-02741) and additional installments of such Monthly Fee payable in advance on each monthly anniversary of the Sale Date;
- (ii) a capital raising fee (the "Capital Raising Fee") for any financing arranged by PJT Partners, at the Company's request, earned and payable upon receipt of a binding commitment letter. If access to the financing is limited by orders of the bankruptcy court, a proportionate fee shall be payable with respect to each available commitment (irrespective of availability blocks, borrowing base, or other similar restrictions). The Capital Raising Fee will be calculated as 0.5% of the total issuance size for DIP Financing, 1.0% of the total issuance size for senior debt, 2.0% of the total issuance size for junior debt financing, and 5.0% of the issuance amount for equity financing raised up to \$100 million and 3.0% for amounts raised over \$100 million;
- (iii) upon the consummation of a Transaction, a Transaction fee ("Transaction Fee") payable in cash at the closing of such Transaction directly out of the gross proceeds of the Transaction equal to:
  - (iv) 2.0% of all Consideration up to USD\$50,000,000; plus
  - (v) 1.5% of all Consideration between USD\$50,000,000 and USD\$100,000,000; plus
  - (vi) 1.0% of all Consideration between USD\$100,000,000 and USD\$200,000,000; plus
  - (vii) 0.9% of all Consideration between USD\$200,000,000 and USD\$1,000,000,000; plus
  - (viii) 0.75% for all Consideration between USD\$1,000,000,000 and USD\$2,000,000,000; plus
  - (ix) 0.5% of all Consideration above USD\$2,000,000,000.

In this Agreement, "Consideration" means the gross value of all cash, securities and other properties paid or payable, directly or indirectly, in one transaction or in a series or combination of transactions, in connection with the Transaction or a transaction related thereto (including, without limitation, amounts paid (A) pursuant to covenants not to compete or similar arrangements and (B) to holders of any warrants, stock purchase rights, convertible securities or similar rights and to holders of any options or stock appreciation rights, whether or not vested). Consideration shall also include (i) (I) in the case of the sale, exchange or

purchase of the Company's equity securities the principal amount of any indebtedness for borrowed money, preferred stock obligations, any pension liabilities, capital leases, guarantees and any other long-term liabilities as set forth on the most recent consolidated balance sheet of the Company prior to the consummation of such sale, exchange or purchase or (II) in the case of a sale or disposition of assets by the Company the principal amount of any indebtedness for borrowed money, preferred stock obligations, any pension liabilities, capital leases, guarantees and any other long-term liabilities indirectly or directly assumed or acquired, and (ii) any indebtedness for borrowed money, preferred stock obligations, any pension liabilities, capital leases, guarantees and any other long-term liabilities that are or otherwise repaid or retired, in connection with or in anticipation of the Transaction. Consideration shall also include the aggregate amount of any extraordinary dividend or distribution made by the Company from the date hereof until the Closing of the Transaction. Consideration shall include all amounts paid into escrow and all contingent payments payable in connection with the Transaction, with fees on amounts paid into escrow to be payable upon the establishment of such escrow and fees on contingent payments to be payable when such contingent payments are made. If the Consideration to be paid is computed in any foreign currency, the value of such foreign currency shall, for purposes hereof, be converted into U.S. dollars at the prevailing exchange rate on the date or dates on which such Consideration is paid.

In this Agreement, the value of any securities (whether debt or equity) or other property paid or payable as part of the Consideration shall be determined as follows: (1) the value of securities that are freely tradable in an established public market will be determined on the basis of the last market closing price prior to the public announcement of the Transaction; and (2) the value of securities that are not freely tradable or have no established public market or, if the Consideration utilized consists of property other than securities, the value of such other property shall be the fair market value thereof as mutually agreed by the parties hereto; and

- (x) reimbursement of all reasonable out-of-pocket expenses incurred during this engagement, including, but not limited to, travel and lodging, direct identifiable data processing, document production, publishing services and communication charges, courier services, working meals, reasonable fees and expenses of PJT Partners' counsel and other necessary expenditures, payable upon rendition of invoices setting forth in reasonable detail the nature and amount of such expenses. In connection therewith the Company shall pay PJT Partners on the date hereof and maintain thereafter a USD\$25,000 expense advance for which PJT Partners shall account upon termination of this Agreement.

The Company is subject to proceedings under the CCAA ("**In-Court Proceeding**") and the Company shall use its best efforts to promptly apply to the court having jurisdiction over the In-Court Proceeding (the "**Court**") for the approval of (A) this Agreement, including the attached indemnification agreement; (B) PJT Partners' retention by the Company under the terms of this Agreement; (C) a first-ranking super-priority charge on the Company's assets, property and undertakings to secure the Monthly Fee and all disbursements incurred by PJT Partners' pursuant to this Agreement (which charge shall form part of the Administration Charge as defined in the

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December 7, 2015 order of the Court in the In-Court Proceeding (the “**Initial Order**”), both before and after the commencement of the In-Court Proceeding; and (D) a super-priority charge on the Company’s assets, property and undertakings to secure the Transaction Fee and Capital Raising Fee ranking after the Administration Charge, the D&O Charge (as defined in the Initial Order) and any key employee retention program charge granted by the Court. The Company shall supply PJT Partners with a draft of such application and any proposed order authorizing PJT Partners’ retention sufficiently in advance of the filing of such application and proposed order to enable PJT Partners and its counsel to review and comment thereon. PJT Partners shall have no obligation to provide any services under this Agreement in the event that the Company becomes a debtor under an In-Court Proceeding unless PJT Partners’ retention under the terms of this Agreement is approved by a final order of the Court no longer subject to appeal, rehearing, reconsideration or petition for certiorari, and which order is acceptable to PJT Partners in all respects. In the event that the Company becomes a debtor under an In-Court Proceeding and PJT Partners’ engagement hereunder is approved by the Court, the Company shall pay all fees and expenses of PJT Partners hereunder as promptly as practicable in accordance with the terms hereof. Prior to commencing an In-Court Proceeding, the Company shall pay all invoiced amounts to PJT Partners in immediately available funds by wire transfer.

Each of the Company and Counsel acknowledges and agrees that PJT Partners’ restructuring expertise as well as its capital markets knowledge, financing skills and mergers and acquisitions capabilities, some or all of which may be required by the Company during the term of PJT Partners’ engagement hereunder, were important factors in determining the amount of the various fees set forth herein, and that the ultimate benefit to the Company of PJT Partners’ services hereunder could not be measured merely by reference to the number of hours to be expended by PJT Partners’ professionals in the performance of such services. Each of the Company and Counsel also acknowledges and agrees that the various fees set forth herein have been agreed upon by the parties in anticipation that a substantial commitment of professional time and effort will be required of PJT Partners and its professionals hereunder over the life of the engagement, and in light of the fact that such commitment may foreclose other opportunities for PJT Partners and that the actual time and commitment required of PJT Partners and its professionals to perform its services hereunder may vary substantially from week to week or month to month, creating “peak load” issues for the firm. In addition, given the numerous issues which PJT Partners may be required to address in the performance of its services hereunder, PJT Partners’ commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for PJT Partners’ services for engagements of this nature in an In-Court Proceeding, each of the Company and Counsel agrees that the fee arrangements hereunder (including the Monthly Fee, Capital Raise Fee and Transaction Fee) are reasonable.

The advisory services and compensation arrangement set forth in this Agreement do not encompass other investment banking services or transactions that may be undertaken by PJT Partners at the request of Counsel or the Company, including the arranging of debt or equity capital (except as provided above), issuing fairness opinions or any other specific services not set forth in this Agreement. The terms and conditions of any such investment banking services, including compensation arrangements, would be set forth in a separate written agreement between PJT Partners and the appropriate party.

Except as contemplated by the terms hereof or as required by applicable law, regulation or legal process, for a period of two years from the date hereof, PJT Partners shall keep confidential all



material non-public information provided to it by or at the request of the Company, and shall not disclose such information to any third party or to any of its employees or advisors except to those persons who have a need to know such information in connection with PJT Partners' performance of its responsibilities hereunder and who are advised of the confidential nature of the information and who agree to keep such information confidential.

The Company and Counsel will furnish or cause to be furnished to PJT Partners such information as PJT Partners believes appropriate to its assignment (all such information so furnished being the "**Information**"). The Company and Counsel further agree to provide PJT Partners with reasonable access to Counsel and the Company and its directors, officers, employees and advisers. The Company and Counsel shall inform PJT Partners promptly upon becoming aware of any material developments relating to the Company which the Company and Counsel reasonably expect may impact the proposed Transaction or if the Company or Counsel become aware that any Information provided to PJT Partners is, or has become, untrue, unfair, inaccurate or misleading in any way. Furthermore, the Company and Counsel warrant and undertake to PJT Partners in respect of all Information supplied by the Company and Counsel, that the Company and Counsel have not obtained any such Information other than by lawful means and that disclosure to PJT Partners will not breach any agreement or duty of confidentiality owed to third parties. The Company and Counsel recognize and confirm that PJT Partners (a) will use and rely primarily on the Information and on information available from generally recognized public sources in performing the services contemplated by this Agreement without having independently verified the same, (b) does not assume responsibility for the accuracy or completeness of the Information and such other information, (c) is entitled to rely upon the Information without independent verification, and (d) will not make an appraisal of any assets in connection with its assignment.

In the event that the Information belonging to the Company is stored electronically on PJT Partners' computer systems, PJT Partners shall not be liable for any damages resulting from unauthorized access, misuse or alteration of such information by persons not acting on its behalf, provided that PJT Partners exercises the same degree of care in protecting the confidentiality of, and in preventing unauthorized access to, the Company's information that it exercises with regard to its own most sensitive proprietary information.

PJT Partners acknowledges and agrees that the work product produced by PJT Partners pursuant to this Agreement is for the purpose of facilitating the rendering by Counsel of legal advice to the Company and constitutes attorney work product, and that any communication to Counsel, including, without limitation, any correspondence, analyses, reports and related materials that PJT Partners prepares, constitutes confidential and privileged communications and PJT Partners will not disclose the same or any of the Information to any other person except as requested by Counsel.

Except as required by applicable law, any advice to be provided by PJT Partners under this Agreement shall not be disclosed publicly or made available to third parties (other than the Company's other professional advisors, the Monitor or, if appropriate in the Company's judgment, in any filings in the In-Court Proceeding) without the prior written consent of PJT Partners. All services, advice and information and reports provided by PJT Partners to the Counsel in connection with this assignment shall be for the sole benefit of Counsel and the Company and shall not be relied upon by any other person.

The Company acknowledges and agrees that PJT Partners will provide its investment banking services exclusively to the members of the Board of Directors and senior management of the Company and not to the Company's shareholders or other constituencies. The Board of Directors and senior management will make all decisions for the Company regarding whether and how the Company will pursue a Restructuring or Transaction and on what terms and by what process. In so doing, the Board of Directors and senior management will also obtain the advice of the Company's legal, tax and other business advisors and consider such other factors which they consider appropriate before exercising their independent business judgment in respect of a Restructuring or Transaction. The Company further acknowledges and agrees that PJT Partners has been retained to act solely as investment banker to the Company and does not in such capacity act as a fiduciary for the Company or any other person. PJT Partners shall act as an independent contractor and any duties of PJT Partners arising out of its engagement pursuant to this Agreement shall be owed solely to the Company.

In consideration of PJT Partners' agreement to provide investment banking services to Counsel in connection with this Agreement, it is agreed that the Company will indemnify PJT Partners and its agents, representatives, members and employees. A copy of our standard form of indemnification agreement is attached to this Agreement as Attachment A. PJT Partners acknowledges Counsel has no obligation to indemnify PJT Partners.

PJT Partners' engagement hereunder may be terminated upon 30 days' written notice without cause by either Counsel or PJT Partners; termination for cause by either party will occur forthwith. Notwithstanding the foregoing, (a) the provisions relating to the payment of fees and expenses accrued through the date of termination, the status of PJT Partners as an independent contractor and the limitation as to whom PJT Partners shall owe any duties will survive any such termination, (b) any such termination shall not affect the Company's obligations under the indemnification agreement attached as Attachment A or PJT Partners' confidentiality obligations hereunder and (c) PJT Partners shall be entitled to the Transaction Fee in the event that at any time prior to the expiration of 24 months following the termination of this Agreement (unless such termination is by Counsel or the Company for gross negligence or willful misconduct) a definitive agreement with respect to a Restructuring or a Transaction, respectively, is executed and a Restructuring or Transaction, respectively, is thereafter consummated.

The Company represents that neither it nor any of its affiliates under common control, nor, to the knowledge of the Company, any of their respective directors or officers, is an individual or entity ("Person") that is, or is owned or controlled by a Person that is: (i) a Person with whom dealings are restricted or prohibited under U.S. economic sanctions (including those administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control) or similar sanctions imposed by another relevant sanctions authority (collectively, "Sanctions"); or (ii) to the knowledge of the Company, not in compliance in all material respects with all applicable anti-money laundering laws and Sanctions.


The Company should be aware that PJT Partners and/or its affiliates may be providing or may in the future provide financial or other services to other parties with conflicting interests. Consistent with PJT Partners' policy to hold in confidence the affairs of its clients, PJT Partners will not use confidential information obtained from the Company except in connection with PJT Partners' services to, and PJT Partners' relationship with, the Company, nor will PJT Partners use on the Company's behalf any confidential information obtained from any other client.

Notwithstanding anything to the contrary provided elsewhere herein, the Company expressly acknowledges and agrees that none of the provisions of this Agreement shall in any way restrict PJT Partners from being engaged or mandated by any third party, or otherwise participating or assisting with any transaction involving any other party.

This Agreement (including the attached indemnification agreement) embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect or impair such provision or the remaining provisions of this Agreement in any other respect, which will remain in full force and effect. No waiver, amendment or other modification of this Agreement shall be effective unless in writing and signed by each party to be bound thereby. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed in that state.

The Company and Counsel hereby agree that any action or proceeding brought by the Company or Counsel against PJT Partners based hereon or arising out of PJT Partners' engagement hereunder, shall be brought and maintained by the Company or Counsel exclusively in the Supreme Court of British Columbia. Counsel irrevocably submits to the jurisdiction of the Supreme Court of British Columbia and appellate courts from any thereof for the purpose of any action or proceeding based hereon or arising out of PJT Partners' engagement hereunder and irrevocably agrees to be bound by any judgment rendered thereby in connection with such action or proceedings. Counsel hereby irrevocably waives, to the fullest extent permitted by law, any objection it may have or hereafter may have to the laying of venue of any such action or proceeding brought in any such court referred to above and any claim that such action or proceeding has been brought in an inconvenient forum and agrees not to plead or claim the same.

[SIGNATURE PAGE FOLLOWS]


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Please confirm that the foregoing correctly sets forth our agreement by signing and returning to PJT Partners the duplicate copy of this Agreement and the indemnification agreement attached hereto as Attachment A.

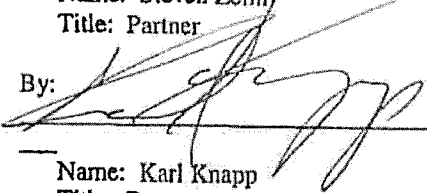
Very truly yours,

PJT PARTNERS LP

By: PJT Management, LLC, its general partner

By:   
\_\_\_\_\_


Name: Steven Zelin  
Title: Partner

By:   
\_\_\_\_\_


Name: Karl Knapp  
Title: Partner

Accepted and Agreed to as  
of the date first written above:

WALTER ENERGY CANADA HOLDINGS, INC.

By:   
Name: DANNY L. STICKEL  
Title: DIRECTOR

OSLER, HOSKIN & HARCOURT LLP

By:   
Name: Marc Wasserman  
Title: Partner

## ATTACHMENT A

April 1, 2016

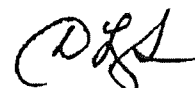
PJT Partners LP  
280 Park Avenue  
New York, NY 10017

## INDEMNIFICATION AGREEMENT

Ladies and Gentlemen:

This letter will confirm that we have engaged PJT Partners LP (“**PJT Partners**”) to advise and assist us in connection with the matters referred to in our letter of agreement dated as of April 1, 2016 (the “**Engagement Letter**”). In consideration of your agreement to act on our behalf in connection with such matters, we agree to indemnify and hold harmless you and your affiliates and your and their respective partners (both general and limited), members, officers, directors, employees and agents and each other person, if any, controlling you or any of your affiliates (you and each such other person being an “**Indemnified Party**”) from and against any losses, claims, damages, expenses and liabilities whatsoever, whether they be joint or several, related to, arising out of or in connection with the engagement under the Engagement Letter, including without limitation, any related services and activities prior to the date of the Engagement Letter (the “**Engagement**”) and will reimburse each Indemnified Party for all expenses (including fees, expenses and disbursements of counsel) as they are incurred in connection with investigating, preparing, pursuing, defending, or otherwise responding to, or assisting in the defense of any action, claim, suit, investigation or proceeding related to, arising out of or in connection with the Engagement or this agreement, whether or not pending or threatened, whether or not any Indemnified Party is a party, whether or not resulting in any liability and whether or not such action, claim, suit, investigation or proceeding is initiated or brought by us. We also agree to cooperate with PJT Partners and to give, and so far as it is able to procure the giving of, all such information and render all such assistance to PJT Partners as PJT Partners may reasonably request in connection with any such action, claim, suit, proceeding, investigation or judgment and not to take any action which might reasonably be expected to prejudice the position of PJT Partners or its affiliates in relation to any such action, claim, suit, proceeding, investigation or judgment without the consent of PJT Partners (such consent not to be unreasonably withheld). In the event that PJT Partners is requested or authorized by us or required by government regulation, subpoena or other legal process to produce documents, or to make its current or former personnel available as witnesses at deposition or trial, arising as a result of or in connection with the Engagement, we will, so long as PJT Partners is not a party to the proceeding in which the information is sought, pay PJT Partners the fees and expenses of its counsel incurred in responding to such a request. We will not, however, be liable under the foregoing indemnification provision for any losses, claims, damages or liabilities (or expenses relating thereto) that are finally judicially determined by a court of competent jurisdiction to have primarily resulted from the gross negligence or willful misconduct of PJT Partners. We also

Rev. 10.01.2015

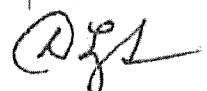


agree that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to us or our owners, parents, affiliates, security holders or creditors for or in connection with the Engagement except for any such liability for losses, claims, damages or liabilities incurred by us that are finally judicially determined by a court of competent jurisdiction to have primarily resulted from the gross negligence or willful misconduct of PJT Partners.

If the indemnification provided for in the preceding paragraph is for any reason unavailable to an Indemnified Party in respect of any losses, claims, damages or liabilities referred to herein (other than as a result of gross negligence or willful misconduct by such Indemnified Party), then, in lieu of indemnifying such Indemnified Party hereunder, we shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities (and expenses relating thereto) in such proportion as is appropriate to reflect not only the relative benefits received (or anticipated to be received) by you, on the one hand, and us, on the other hand, from the Engagement but also the relative fault of each of you and us, as well as any other relevant equitable considerations; provided, however, to the extent permitted by applicable law, in no event shall your aggregate contribution to the amount paid or payable exceed the aggregate amount of fees actually received by you under the Engagement Letter. For the purposes of this agreement, the relative benefits to us and you of the Engagement shall be deemed to be in the same proportion as (a) the total value paid or contemplated to be paid or received or contemplated to be received by us, our security holders and our creditors in the transaction or transactions that are subject to the Engagement, whether or not any such transaction is consummated, bears to (b) the fees paid or to be paid to PJT Partners under the Engagement Letter (excluding any amounts paid as reimbursement of expenses).

Neither party to this agreement will, without the prior written consent of the other party (which consent will not be unreasonably withheld), settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (a "Judgment"), whether or not we or any Indemnified Party are an actual or potential party to such claim, action, suit or proceeding. In the event that we seek to settle or compromise or consent to the entry of any Judgment, we agree that such settlement, compromise or consent (i) shall include an unconditional release of PJT Partners and each other Indemnified Party hereunder from all liability arising out of such claim, action, suit or proceeding, (ii) shall not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of PJT Partners or each other Indemnified Party, and (iii) shall not impose any continuing obligations or restrictions on PJT Partners or each other Indemnified Party.

Promptly after receipt by an Indemnified Party of notice of any complaint or the commencement of any action or proceeding with respect to which indemnification is being sought hereunder, such person will notify us in writing of such complaint or of the commencement of such action or proceeding, but failure to so notify us will not relieve us from any liability which we may have hereunder or otherwise, except to the extent that such failure materially prejudices our rights. If we so elect or are requested by such Indemnified Party, we will assume the defense of such action or proceeding, including the employment of counsel reasonably satisfactory to PJT Partners and the payment of the fees and disbursements of such counsel.

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In the event, however, such Indemnified Party reasonably determines in its judgment that having common counsel would present such counsel with a conflict of interest or if we fail to assume the defense of the action or proceeding in a timely manner, then such Indemnified Party may employ separate counsel reasonably satisfactory to us to represent or defend it in any such action or proceeding and we will pay the fees and disbursements of such counsel; provided, however, that we will not be required to pay the fees and disbursements of more than one separate counsel for all Indemnified Parties in any jurisdiction in any single action or proceeding. In any action or proceeding the defense of which we assume, the Indemnified Party will have the right to participate in such litigation and to retain its own counsel at such Indemnified Party's own expense.

The foregoing reimbursement, indemnity and contribution obligations of ours under this agreement shall be in addition to any rights that an Indemnified Party may have at common law or otherwise, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of ours and such Indemnified Party. We agree that the indemnity and reimbursement obligations of ours set out herein shall be in addition to any liability which we may otherwise have under the Engagement Letter and applicable law and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of ours, PJT Partners and any such Indemnified Party.

[SIGNATURE PAGE FOLLOWS]

| page 12

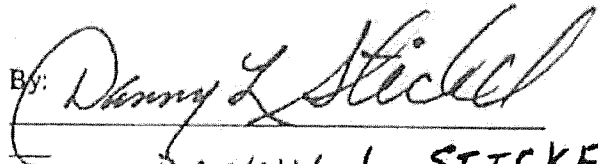
A handwritten signature in black ink, appearing to be 'DGL', is written over the page number.

The provisions of this agreement shall apply to the Engagement, as well as any additional engagement of PJT Partners by us in connection with the matters which are the subject of the Engagement, and any modification of the Engagement or additional engagement and shall remain in full force and effect regardless of any termination or the completion of your services under the Engagement Letter.

This agreement and the Engagement Letter shall be governed by, and construed in accordance with the laws of the State of New York applicable to contracts executed in and to be performed in that state.

Very truly yours,


WALTER ENERGY CANADA HOLDINGS,  
INC.


By:   
Name: **DANNY L. STICKEL**  
Title: **DIRECTOR**

Accepted and Agreed to as  
of the date first written above:

**PJT PARTNERS LP**

By: PJT Management, LLC, its general partner

By:   
Name: **Steve Zelin**  
Title: **Partner**

By:   
Name: **Karl Knapp**  
Title: **Partner**



This is Exhibit "B" referred to in Affidavit #2 of **William E. Aziz** sworn June 17, 2016 at Toronto, Ontario.



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Commissioner for Taking Affidavits and  
Notary Public in the Province of Ontario



~~December 30, 2015~~

April [ ], 2016

Marc Wasserman  
Osler, Hoskin & Harcourt LLP  
100 King Street West  
1 First Canadian Place  
Suite 6200, P.O. Box 50  
Toronto ON M5X 1B

Dear Marc:

This letter confirms the understanding and agreement (the “**Agreement**”) between PJT Partners LP (“**PJT Partners**”) and Osler, Hoskin & Harcourt LLP (“**Counsel**”), as counsel to Walter Energy Canada Holdings, Inc. (together with any affiliates and subsidiaries, the “**Company**”), regarding the retention of PJT Partners on an exclusive basis by Counsel effective as of December 7, 2015 (the “**Effective Date**”) as the Company’s investment banker for the purposes set forth herein. PJT Partners, Counsel, and the Company each agree that this Agreement shall amend and restate in full the letter agreement dated December 31, 2015, which shall be of no further force or effect.

Under this Agreement, PJT Partners will provide investment banking services to Counsel in connection with a possible restructuring of certain liabilities of the Company and the sale, merger or other disposition of all or a portion of the capital stock or assets of the Company (a “**Transaction**”), and will assist Counsel in analyzing, structuring, negotiating and effecting the Restructuring or Transaction pursuant to the terms and conditions of this Agreement; provided, for greater certainty, that a Transaction shall not include a liquidation of the Company’s assets by auctioneers or other liquidators after or resulting from the discontinuation of an SISP (as defined below). As used in this Agreement, the term “**Restructuring**” shall mean, collectively, (i) any restructuring, reorganization and/or recapitalization of the Company and/or sale or other disposition of substantially all of the assets of the Company affecting existing or potential debt obligations or other claims, including, without limitation, senior debt, junior debt, trade claims, general unsecured claims, and preferred stock (collectively, the “**Obligations**”), whether or not pursuant to the Canada Business Corporations Act (“**CBCA**”), comparable provincial legislation, the Companies’ Creditors Arrangement Act (“**CCAA**”) or the Bankruptcy and Insolvency Act (“**BIA**”) in Canada, and/or (ii) any complete or partial repurchase, refinancing, extension or repayment by the Company of any of the Obligations, whether or not under the CBCA, CCAA or BIA.

The investment banking services to be rendered by PJT Partners may include the following:

- (a) advise the Company in the sale, merger or other disposition of all or a portion of the Company or its assets;
- (b) assist the Company in preparing marketing materials in conjunction with a possible Transaction;
- (c) develop of a list of potential purchasers for a Transaction and consult with the Company and the Monitor from time to time as to such potential purchasers;
- (d) assist the Company and the Monitor in designing an appropriate sale and investment solicitation process (“SISP”) and in running such SISP
- (e) assist the Company to develop due diligence materials and manage the due diligence process for interested parties;
- (f) assist and advise the Company concerning the terms, conditions and impact of any proposed Transaction;
- (g) assist in the evaluation of the Company’s businesses and prospects;
- (h) assist in the development of the Company’s long-term business plan and related financial projections;
- (i) assist in the development of financial data and presentations to the Company’s Board of Directors, various creditors and other third parties;
- (j) analyze various restructuring scenarios and the potential impact of these scenarios on the recoveries of those stakeholders impacted by the Restructuring;
- (k) provide strategic advice with regard to restructuring or refinancing the Company’s Obligations;
- (l) evaluate the Company’s debt capacity and alternative capital structures;
- (m) participate in negotiations among the Company and its creditors, suppliers, lessors and other interested parties;
- (n) value securities offered by the Company in connection with a Restructuring;
- (o) advise the Company and negotiate with lenders with respect to potential waivers or amendments of various credit facilities;
- (p) assist in arranging financing for the Company, as requested;
- (q) assist in the preparation of affidavit evidence in the event of an in court restructuring under the CCAA, BIA or CBCA; and
- (r) provide such other advisory services as are customarily provided in connection with the analysis and negotiation of a Restructuring or a Transaction, as requested and mutually agreed.

Notwithstanding anything contained in this Agreement to the contrary, PJT Partners shall have no responsibility for designing or implementing any initiatives to improve the Company’s operations, profitability, cash management or liquidity. PJT Partners makes no representations or warranties about the Company’s ability to (i) successfully improve its operations, (ii) maintain or secure sufficient liquidity to operate its business, or (iii) successfully complete a

Restructuring. PJT Partners is retained under this Agreement solely to provide advice regarding a Restructuring or a Transaction, and is not being retained to provide “crisis management.”

It is agreed that the Company will pay the following fees to PJT Partners for its investment banking services (all fees and expenses payable to PJT Partners pursuant to this Agreement shall be payable solely by the Company; Counsel shall have no obligation to pay PJT Partners’ fees or expenses):

- (i) a monthly advisory fee (the “**Monthly Fee**”) in the amount of USD\$100,000, per month, in cash, with the first Monthly Fee payable upon the ~~date that day after the~~ Company’s ultimate parent, Walter Energy, Inc., ~~converts/closes the sale of substantially all of its assets (the “Sale Date”) as part of its current chapter 11 cases that are jointly administered by the United States Bankruptcy Court, Northern District of Alabama (Case No. 15-02741) to a liquidation under chapter 7 of the United States Bankruptcy Code (the “Conversion Date”)~~15-02741) and additional installments of such Monthly Fee payable in advance on each monthly anniversary of the ~~Conversion~~Sale Date;
- (ii) a capital raising fee (the “**Capital Raising Fee**”) for any financing arranged by PJT Partners, at the Company’s request, earned and payable upon receipt of a binding commitment letter. If access to the financing is limited by orders of the bankruptcy court, a proportionate fee shall be payable with respect to each available commitment (irrespective of availability blocks, borrowing base, or other similar restrictions). The Capital Raising Fee will be calculated as 0.5% of the total issuance size for DIP Financing, 1.0% of the total issuance size for senior debt, 2.0% of the total issuance size for junior debt financing, and 5.0% of the issuance amount for equity financing raised up to \$100 million and 3.0% for amounts raised over \$100 million;
- (iii) upon the consummation of a Transaction, a Transaction fee (“**Transaction Fee**”) payable in cash at the closing of such Transaction directly out of the gross proceeds of the Transaction equal to:
  - (iv) 2.0% of all Consideration up to USD\$50,000,000; plus
  - (v) 1.5% of all Consideration between USD\$50,000,000 and USD\$100,000,000; plus
  - (vi) 1.0% of all Consideration between USD\$100,000,000 and USD\$200,000,000; plus
  - (vii) 0.9% of all Consideration between USD\$200,000,000 and USD\$1,000,000,000; plus
  - (viii) 0.75% for all Consideration between USD\$1,000,000,000 and USD\$2,000,000,000; plus
  - (ix) 0.5% of all Consideration above USD\$2,000,000,000.

In this Agreement, “Consideration” means the gross value of all cash, securities and other properties paid or payable, directly or indirectly, in one transaction or in a series or combination of transactions, in connection with the Transaction or a transaction related thereto (including, without limitation, amounts paid (A) pursuant to covenants not to compete or similar arrangements and (B) to holders

of any warrants, stock purchase rights, convertible securities or similar rights and to holders of any options or stock appreciation rights, whether or not vested). Consideration shall also include (i) (I) in the case of the sale, exchange or purchase of the Company's equity securities the principal amount of any indebtedness for borrowed money, preferred stock obligations, any pension liabilities, capital leases, guarantees and any other long-term liabilities as set forth on the most recent consolidated balance sheet of the Company prior to the consummation of such sale, exchange or purchase or (II) in the case of a sale or disposition of assets by the Company the principal amount of any indebtedness for borrowed money, preferred stock obligations, any pension liabilities, capital leases, guarantees and any other long-term liabilities indirectly or directly assumed or acquired, and (ii) any indebtedness for borrowed money, preferred stock obligations, any pension liabilities, capital leases, guarantees and any other long-term liabilities that are or otherwise repaid or retired, in connection with or in anticipation of the Transaction. Consideration shall also include the aggregate amount of any extraordinary dividend or distribution made by the Company from the date hereof until the Closing of the Transaction. Consideration shall include all amounts paid into escrow and all contingent payments payable in connection with the Transaction, with fees on amounts paid into escrow to be payable upon the establishment of such escrow and fees on contingent payments to be payable when such contingent payments are made. If the Consideration to be paid is computed in any foreign currency, the value of such foreign currency shall, for purposes hereof, be converted into U.S. dollars at the prevailing exchange rate on the date or dates on which such Consideration is paid.

In this Agreement, the value of any securities (whether debt or equity) or other property paid or payable as part of the Consideration shall be determined as follows: (1) the value of securities that are freely tradable in an established public market will be determined on the basis of the last market closing price prior to the public announcement of the Transaction; and (2) the value of securities that are not freely tradable or have no established public market or, if the Consideration utilized consists of property other than securities, the value of such other property shall be the fair market value thereof as mutually agreed by the parties hereto; and

- (x) reimbursement of all reasonable out-of-pocket expenses incurred during this engagement, including, but not limited to, travel and lodging, direct identifiable data processing, document production, publishing services and communication charges, courier services, working meals, reasonable fees and expenses of PJT Partners' counsel and other necessary expenditures, payable upon rendition of invoices setting forth in reasonable detail the nature and amount of such expenses. In connection therewith the Company shall pay PJT Partners on the date hereof and maintain thereafter a USD\$25,000 expense advance for which PJT Partners shall account upon termination of this Agreement.

The Company is subject to proceedings under the CCAA ("**In-Court Proceeding**") and the Company shall use its best efforts to promptly apply to the court having jurisdiction over the In-Court Proceeding (the "**Court**") for the approval of (A) this Agreement, including the attached indemnification agreement; (B) PJT Partners' retention by the Company under the terms of this Agreement; (C) a first-ranking super-priority charge on the Company's assets, property and

undertakings to secure the Monthly Fee and all disbursements incurred by PJT Partners' pursuant to this Agreement (which charge shall form part of the Administration Charge as defined in the December 7, 2015 order of the Court in the In-Court Proceeding (the "Initial Order")), both before and after the commencement of the In-Court Proceeding; and (D) a super-priority charge on the Company's assets, property and undertakings to secure the Transaction Fee and Capital Raising Fee ranking after the Administration Charge, the D&O Charge (as defined in the Initial Order) and any key employee retention program charge granted by the Court. The Company shall supply PJT Partners with a draft of such application and any proposed order authorizing PJT Partners' retention sufficiently in advance of the filing of such application and proposed order to enable PJT Partners and its counsel to review and comment thereon. PJT Partners shall have no obligation to provide any services under this Agreement in the event that the Company becomes a debtor under an In-Court Proceeding unless PJT Partners' retention under the terms of this Agreement is approved by a final order of the Court no longer subject to appeal, rehearing, reconsideration or petition for certiorari, and which order is acceptable to PJT Partners in all respects. In the event that the Company becomes a debtor under an In-Court Proceeding and PJT Partners' engagement hereunder is approved by the Court, the Company shall pay all fees and expenses of PJT Partners hereunder as promptly as practicable in accordance with the terms hereof. Prior to commencing an In-Court Proceeding, the Company shall pay all invoiced amounts to PJT Partners in immediately available funds by wire transfer.

Each of the Company and Counsel acknowledges and agrees that PJT Partners' restructuring expertise as well as its capital markets knowledge, financing skills and mergers and acquisitions capabilities, some or all of which may be required by the Company during the term of PJT Partners' engagement hereunder, were important factors in determining the amount of the various fees set forth herein, and that the ultimate benefit to the Company of PJT Partners' services hereunder could not be measured merely by reference to the number of hours to be expended by PJT Partners' professionals in the performance of such services. Each of the Company and Counsel also acknowledges and agrees that the various fees set forth herein have been agreed upon by the parties in anticipation that a substantial commitment of professional time and effort will be required of PJT Partners and its professionals hereunder over the life of the engagement, and in light of the fact that such commitment may foreclose other opportunities for PJT Partners and that the actual time and commitment required of PJT Partners and its professionals to perform its services hereunder may vary substantially from week to week or month to month, creating "peak load" issues for the firm. In addition, given the numerous issues which PJT Partners may be required to address in the performance of its services hereunder, PJT Partners' commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for PJT Partners' services for engagements of this nature in an In-Court Proceeding, each of the Company and Counsel agrees that the fee arrangements hereunder (including the Monthly Fee, Capital Raise Fee and Transaction Fee) are reasonable.

The advisory services and compensation arrangement set forth in this Agreement do not encompass other investment banking services or transactions that may be undertaken by PJT Partners at the request of Counsel or the Company, including the arranging of debt or equity capital (except as provided above), issuing fairness opinions or any other specific services not set forth in this Agreement. The terms and conditions of any such investment banking services, including compensation arrangements, would be set forth in a separate written agreement between PJT Partners and the appropriate party.

Except as contemplated by the terms hereof or as required by applicable law, regulation or legal process, for a period of two years from the date hereof, PJT Partners shall keep confidential all material non-public information provided to it by or at the request of the Company, and shall not disclose such information to any third party or to any of its employees or advisors except to those persons who have a need to know such information in connection with PJT Partners' performance of its responsibilities hereunder and who are advised of the confidential nature of the information and who agree to keep such information confidential.

The Company and Counsel will furnish or cause to be furnished to PJT Partners such information as PJT Partners believes appropriate to its assignment (all such information so furnished being the "**Information**"). The Company and Counsel further agree to provide PJT Partners with reasonable access to Counsel and the Company and its directors, officers, employees and advisers. The Company and Counsel shall inform PJT Partners promptly upon becoming aware of any material developments relating to the Company which the Company and Counsel reasonably expect may impact the proposed Transaction or if the Company or Counsel become aware that any Information provided to PJT Partners is, or has become, untrue, unfair, inaccurate or misleading in any way. Furthermore, the Company and Counsel warrant and undertake to PJT Partners in respect of all Information supplied by the Company and Counsel, that the Company and Counsel have not obtained any such Information other than by lawful means and that disclosure to PJT Partners will not breach any agreement or duty of confidentiality owed to third parties. The Company and Counsel recognize and confirm that PJT Partners (a) will use and rely primarily on the Information and on information available from generally recognized public sources in performing the services contemplated by this Agreement without having independently verified the same, (b) does not assume responsibility for the accuracy or completeness of the Information and such other information, (c) is entitled to rely upon the Information without independent verification, and (d) will not make an appraisal of any assets in connection with its assignment.

In the event that the Information belonging to the Company is stored electronically on PJT Partners' computer systems, PJT Partners shall not be liable for any damages resulting from unauthorized access, misuse or alteration of such information by persons not acting on its behalf, provided that PJT Partners exercises the same degree of care in protecting the confidentiality of, and in preventing unauthorized access to, the Company's information that it exercises with regard to its own most sensitive proprietary information.

PJT Partners acknowledges and agrees that the work product produced by PJT Partners pursuant to this Agreement is for the purpose of facilitating the rendering by Counsel of legal advice to the Company and constitutes attorney work product, and that any communication to Counsel, including, without limitation, any correspondence, analyses, reports and related materials that PJT Partners prepares, constitutes confidential and privileged communications and PJT Partners will not disclose the same or any of the Information to any other person except as requested by Counsel.

Except as required by applicable law, any advice to be provided by PJT Partners under this Agreement shall not be disclosed publicly or made available to third parties (other than the Company's other professional advisors, the Monitor or, if appropriate in the Company's judgment, in any filings in the In-Court Proceeding) without the prior written consent of PJT Partners. All services, advice and information and reports provided by PJT Partners to the

Counsel in connection with this assignment shall be for the sole benefit of Counsel and the Company and shall not be relied upon by any other person.

The Company acknowledges and agrees that PJT Partners will provide its investment banking services exclusively to the members of the Board of Directors and senior management of the Company and not to the Company's shareholders or other constituencies. The Board of Directors and senior management will make all decisions for the Company regarding whether and how the Company will pursue a Restructuring or Transaction and on what terms and by what process. In so doing, the Board of Directors and senior management will also obtain the advice of the Company's legal, tax and other business advisors and consider such other factors which they consider appropriate before exercising their independent business judgment in respect of a Restructuring or Transaction. The Company further acknowledges and agrees that PJT Partners has been retained to act solely as investment banker to the Company and does not in such capacity act as a fiduciary for the Company or any other person. PJT Partners shall act as an independent contractor and any duties of PJT Partners arising out of its engagement pursuant to this Agreement shall be owed solely to the Company.

In consideration of PJT Partners' agreement to provide investment banking services to Counsel in connection with this Agreement, it is agreed that the Company will indemnify PJT Partners and its agents, representatives, members and employees. A copy of our standard form of indemnification agreement is attached to this Agreement as Attachment A. PJT Partners acknowledges Counsel has no obligation to indemnify PJT Partners.

PJT Partners' engagement hereunder may be terminated upon 30 days' written notice without cause by either Counsel or PJT Partners; termination for cause by either party will occur forthwith. Notwithstanding the foregoing, (a) the provisions relating to the payment of fees and expenses accrued through the date of termination, the status of PJT Partners as an independent contractor and the limitation as to whom PJT Partners shall owe any duties will survive any such termination, (b) any such termination shall not affect the Company's obligations under the indemnification agreement attached as Attachment A or PJT Partners' confidentiality obligations hereunder and (c) PJT Partners shall be entitled to the Transaction Fee in the event that at any time prior to the expiration of 24 months following the termination of this Agreement (unless such termination is by Counsel or the Company for gross negligence or willful misconduct) a definitive agreement with respect to a Restructuring or a Transaction, respectively, is executed and a Restructuring or Transaction, respectively, is thereafter consummated.

The Company represents that neither it nor any of its affiliates under common control, nor, to the knowledge of the Company, any of their respective directors or officers, is an individual or entity ("Person") that is, or is owned or controlled by a Person that is: (i) a Person with whom dealings are restricted or prohibited under U.S. economic sanctions (including those administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control) or similar sanctions imposed by another relevant sanctions authority (collectively, "Sanctions"); or (ii) to the knowledge of the Company, not in compliance in all material respects with all applicable anti-money laundering laws and Sanctions.

The Company should be aware that PJT Partners and/or its affiliates may be providing or may in the future provide financial or other services to other parties with conflicting interests. Consistent with PJT Partners' policy to hold in confidence the affairs of its clients, PJT Partners will not use confidential information obtained from the Company except in connection with PJT



Partners' services to, and PJT Partners' relationship with, the Company, nor will PJT Partners use on the Company's behalf any confidential information obtained from any other client. Notwithstanding anything to the contrary provided elsewhere herein, the Company expressly acknowledges and agrees that none of the provisions of this Agreement shall in any way restrict PJT Partners from being engaged or mandated by any third party, or otherwise participating or assisting with any transaction involving any other party.

This Agreement (including the attached indemnification agreement) embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect or impair such provision or the remaining provisions of this Agreement in any other respect, which will remain in full force and effect. No waiver, amendment or other modification of this Agreement shall be effective unless in writing and signed by each party to be bound thereby. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed in that state.

The Company and Counsel hereby agree that any action or proceeding brought by the Company or Counsel against PJT Partners based hereon or arising out of PJT Partners' engagement hereunder, shall be brought and maintained by the Company or Counsel exclusively in the Supreme Court of British Columbia. Counsel irrevocably submits to the jurisdiction of the Supreme Court of British Columbia and appellate courts from any thereof for the purpose of any action or proceeding based hereon or arising out of PJT Partners' engagement hereunder and irrevocably agrees to be bound by any judgment rendered thereby in connection with such action or proceedings. Counsel hereby irrevocably waives, to the fullest extent permitted by law, any objection it may have or hereafter may have to the laying of venue of any such action or proceeding brought in any such court referred to above and any claim that such action or proceeding has been brought in an inconvenient forum and agrees not to plead or claim the same.

[SIGNATURE PAGE FOLLOWS]

Please confirm that the foregoing correctly sets forth our agreement by signing and returning to PJT Partners the duplicate copy of this Agreement and the indemnification agreement attached hereto as Attachment A.

Very truly yours,

PJT PARTNERS LP

By: PJT Management, LLC, its general partner

By:

\_\_\_\_\_

Name: Steven Zelin  
Title: Partner

By:

\_\_\_\_\_

Name: Karl Knapp  
Title: Partner

Accepted and Agreed to as  
of the date first written above:

WALTER ENERGY CANADA HOLDINGS, INC.

By:

\_\_\_\_\_  
Name:  
Title:

OSLER, HOSKIN & HARCOURT LLP

By:

\_\_\_\_\_  
Name: Marc Wasserman  
Title: Partner

## ATTACHMENT A

December [ ], 2015

April [ ], 2016

PJT Partners LP  
280 Park Avenue  
New York, NY- 10017

## INDEMNIFICATION AGREEMENT

Ladies and Gentlemen:

This letter will confirm that we have engaged PJT Partners LP (“**PJT Partners**”) to advise and assist us in connection with the matters referred to in our letter of agreement dated as of ~~December 7, 2015~~ April [ ], 2016 (the “**Engagement Letter**”). In consideration of your agreement to act on our behalf in connection with such matters, we agree to indemnify and hold harmless you and your affiliates and your and their respective partners (both general and limited), members, officers, directors, employees and agents and each other person, if any, controlling you or any of your affiliates (you and each such other person being an “**Indemnified Party**”) from and against any losses, claims, damages, expenses and liabilities whatsoever, whether they be joint or several, related to, arising out of or in connection with the engagement under the Engagement Letter, including without limitation, any related services and activities prior to the date of the Engagement Letter (the “**Engagement**”) and will reimburse each Indemnified Party for all expenses (including fees, expenses and disbursements of counsel) as they are incurred in connection with investigating, preparing, pursuing, defending, or otherwise responding to, or assisting in the defense of any action, claim, suit, investigation or proceeding related to, arising out of or in connection with the Engagement or this agreement, whether or not pending or threatened, whether or not any Indemnified Party is a party, whether or not resulting in any liability and whether or not such action, claim, suit, investigation or proceeding is initiated or brought by us. We also agree to cooperate with PJT Partners and to give, and so far as it is able to procure the giving of, all such information and render all such assistance to PJT Partners as PJT Partners may reasonably request in connection with any such action, claim, suit, proceeding, investigation or judgment and not to take any action which might reasonably be expected to prejudice the position of PJT Partners or its affiliates in relation to any such action, claim, suit, proceeding, investigation or judgment without the consent of PJT Partners (such consent not to be unreasonably withheld). In the event that PJT Partners is requested or authorized by us or required by government regulation, subpoena or other legal process to produce documents, or to make its current or former personnel available as witnesses at deposition or trial, arising as a result of or in connection with the Engagement, we will, so long

as PJT Partners is not a party to the proceeding in which the information is sought, pay PJT Partners the fees and expenses of its counsel incurred in responding to such a request. We will not, however, be liable under the foregoing indemnification provision for any losses, claims, damages or liabilities (or expenses relating thereto) that are finally judicially determined by a court of competent jurisdiction to have primarily resulted from the gross negligence or willful misconduct of PJT Partners. We also agree that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to us or our owners, parents, affiliates, security holders or creditors for or in connection with the Engagement except for any such liability for losses, claims, damages or liabilities incurred by us that are finally judicially determined by a court of competent jurisdiction to have primarily resulted from the gross negligence or willful misconduct of PJT Partners.

If the indemnification provided for in the preceding paragraph is for any reason unavailable to an Indemnified Party in respect of any losses, claims, damages or liabilities referred to herein (other than as a result of gross negligence or willful misconduct by such Indemnified Party), then, in lieu of indemnifying such Indemnified Party hereunder, we shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities (and expenses relating thereto) in such proportion as is appropriate to reflect not only the relative benefits received (or anticipated to be received) by you, on the one hand, and us, on the other hand, from the Engagement but also the relative fault of each of you and us, as well as any other relevant equitable considerations; provided, however, to the extent permitted by applicable law, in no event shall your aggregate contribution to the amount paid or payable exceed the aggregate amount of fees actually received by you under the Engagement Letter. For the purposes of this agreement, the relative benefits to us and you of the Engagement shall be deemed to be in the same proportion as (a) the total value paid or contemplated to be paid or received or contemplated to be received by us, our security holders and our creditors in the transaction or transactions that are subject to the Engagement, whether or not any such transaction is consummated, bears to (b) the fees paid or to be paid to PJT Partners under the Engagement Letter (excluding any amounts paid as reimbursement of expenses).

Neither party to this agreement will, without the prior written consent of the other party (which consent will not be unreasonably withheld), settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (a “**Judgment**”), whether or not we or any Indemnified Party are an actual or potential party to such claim, action, suit or proceeding. In the event that we seek to settle or compromise or consent to the entry of any Judgment, we agree that such settlement, compromise or consent (i) shall include an unconditional release of PJT Partners and each other Indemnified Party hereunder from all liability arising out of such claim, action, suit or proceeding, (ii) shall not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of PJT Partners or each other Indemnified Party, and (iii) shall not impose any continuing obligations or restrictions on PJT Partners or each other Indemnified Party.

Promptly after receipt by an Indemnified Party of notice of any complaint or the commencement of any action or proceeding with respect to which indemnification is being sought hereunder, such person will notify us in writing of such complaint or of the commencement of such action or proceeding, but failure to so notify us will not relieve us from any liability which we may have hereunder or otherwise, except to the extent that such failure materially prejudices our

rights. If we so elect or are requested by such Indemnified Party, we will assume the defense of such action or proceeding, including the employment of counsel reasonably satisfactory to PJT Partners and the payment of the fees and disbursements of such counsel.

In the event, however, such Indemnified Party reasonably determines in its judgment that having common counsel would present such counsel with a conflict of interest or if we fail to assume the defense of the action or proceeding in a timely manner, then such Indemnified Party may employ separate counsel reasonably satisfactory to us to represent or defend it in any such action or proceeding and we will pay the fees and disbursements of such counsel; provided, however, that we will not be required to pay the fees and disbursements of more than one separate counsel for all Indemnified Parties in any jurisdiction in any single action or proceeding. In any action or proceeding the defense of which we assume, the Indemnified Party will have the right to participate in such litigation and to retain its own counsel at such Indemnified Party's own expense.

The foregoing reimbursement, indemnity and contribution obligations of ours under this agreement shall be in addition to any rights that an Indemnified Party may have at common law or otherwise, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of ours and such Indemnified Party. We agree that the indemnity and reimbursement obligations of ours set out herein shall be in addition to any liability which we may otherwise have under the Engagement Letter and applicable law and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of ours, PJT Partners and any such Indemnified Party.

[SIGNATURE PAGE FOLLOWS]

The provisions of this agreement shall apply to the Engagement, as well as any additional engagement of PJT Partners by us in connection with the matters which are the subject of the Engagement, and any modification of the Engagement or additional engagement and shall remain in full force and effect regardless of any termination or the completion of your services under the Engagement Letter.

This agreement and the Engagement Letter- shall be governed by, and construed in accordance with the laws of the State of New York applicable to contracts executed in and to be performed in that state.

Very truly yours,

WALTER ENERGY CANADA HOLDINGS,  
INC.

By:

\_\_\_\_\_

Name:  
Title:

Accepted and Agreed to as  
of the date first written above:

PJT PARTNERS LP

By: PJT Management, LLC, its general partner

By: \_\_\_\_\_

Name: Steve Zelin  
Title: Partner

By: \_\_\_\_\_

Name: Karl Knapp  
Title: Partner

NO. S-1510120  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND  
ARRANGEMENT OF WALTER ENERGY CANADA HOLDINGS,  
INC. AND THE OTHER PETITIONERS LISTED ON  
SCHEDULE "A"

PETITIONERS

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**AFFIDAVIT #2 OF WILLIAM E. AZIZ**

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**DLA Piper (Canada) LLP**  
Barristers & Solicitors  
2800 Park Place  
666 Burrard Street  
Vancouver, BC V6C 2Z7

Tel. No. 604.687.9444  
Fax No. 604.687.1612

Client Matter No. 15375-00001

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