

August 23, 2021

Sent By Email

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Re: GreenFirst Forest Products (QC) Inc. (GreenFirst)

We write further to the Decision and Order of the Board received on August 19, 2021 (EB-2021-0210) which conditionally approved the Electricity Generation Licence application of GreenFirst and GreenFirst's ongoing registration efforts with the Independent Electricity System Operator (**IESO**).

As you are aware, Rayonier A.M. Canada G.P. and Rayonier A.M. Canada Industries (formerly Tembec and Tembec Industries Inc.) (together **RYAM**) and GreenFirst have entered into an asset purchase agreement, dated April 10, 2021 (the **APA**), pursuant to which GreenFirst will acquire certain assets from RYAM, including a load facility located in Kapuskasing, Ontario (the **Transaction**). The Transaction is scheduled to close on August 28, 2021.

While GreenFirst continues to diligently pursue its registrations with the IESO, in the event that the IESO is unable to facilitate this process before the closing of the Transaction, GreenFirst intends to rely on RYAM's Market Participation and facility registrations pursuant to the APA. As GreenFirst's agent, RYAM will continue to operate the Kapuskasing facility in accordance with its IESO registrations until such time as the IESO is able to facilitate GreenFirst's registrations.

Under the APA, registrations issued by a governmental entity are, to the extent possible, to be assigned, transferred or reissued to GreenFirst. Such "permits" include the applicable Ontario Energy Board (**OEB**) licences and the Market Participation registration with the IESO.

Where any such permit cannot be assigned or reissued prior to the closing date, the APA provides that the Seller act as agent of the Purchaser, with the Purchaser seeking to have the permit assigned or reissued promptly after closing. The Seller acts as nominee of and takes instructions from the Purchaser. Put another way, these provisions operate as if the Purchaser were the holder of the permit standing in the shoes of the Seller until the permit can be transferred or reissued.

On August 19, 2021, GreenFirst received approval for its Electricity Generation Licence conditional on closing of the Transaction. The Electricity Generation Licence is a prerequisite to registering with the IESO. The IESO has indicated that it may be difficult to facilitate the Kapuskasing facility transfer process before closing of the

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August 23, 2021



transaction. As such, we feel that it is prudent to notify you of GreenFirst's intentions in the event that the IESO is unable to facilitate the requisite registrations and facility transfer by the closing of the Transaction.

Please contact us if you have any questions.

Yours very truly,

A handwritten signature in black ink, appearing to read "J. Teskey".

Jennifer Teskey
Partner

cc: George Vegh, *McCarthy Tetrault LLP*
Will Horne, *McCarthy Tetrault LLP*