

**Ignite Holdings Inc. (“Ignite Holdings”), Ignite Services Inc. (“Ignite Services” or the “Company”), and Ignite Insurance Corporation (collectively, the “Ignite Group”)
Employee CCAA Frequently Asked Questions (“FAQs”)**

1. What is the CCAA?

The CCAA, or the *Companies’ Creditors Arrangement Act*, is a federal law in Canada that provides insolvent companies with debts in excess of \$5 million an orderly and supervised means to restructure and/or sell their businesses.

In the Ignite Group’s case, the Court granted an Initial Order on October 30, 2023 which established a ‘Stay of Proceedings’, which prevents creditors, such as lenders and suppliers, from taking action against the Ignite Group, its directors and officers, and its assets for an initial period of 10 days (which can be further extended as the Court deems appropriate), allowing the Ignite Group to continue to manage the day-to-day operations of its business while addressing its restructuring objectives in an orderly and efficient manner.

CCAA protection provides companies with the time and “breathing room” necessary to emerge as a successful, going concern business and to position the business as a stronger, more viable company.

2. Why did the Ignite Group file for CCAA protection?

While Ignite Services’ gross written premiums have grown year over year, its revenue growth has not been sufficient to cover all of its operating costs and it has experienced significant operating losses in recent years. In addition, Ignite Services has invested a considerable amount in its digital platform.

Ignite Services has been receiving funding from its ultimate parent company, Primary Group Limited (“**Primary**”), but Primary recently advised that it would no longer continue to provide funding to Ignite Services in support of its restructuring efforts outside of a CCAA proceeding. CCAA protection provides companies the time and “breathing room” to restructure with the intent of emerging significantly stronger than they were, and better positioned to thrive in the future.

3. What happens under CCAA proceedings?

As part of the CCAA proceedings, the Court grants a “stay of proceedings”, which prevents creditors, such as lenders and suppliers, from taking action against the Ignite Group, giving it the time and stability to restructure its business in an orderly manner while continuing the day-to-day operations.

KPMG Inc. (“**KPMG**”) has been appointed as the Monitor in the Ignite Group’s CCAA proceedings to oversee the activities of the Ignite Group and to assist the stakeholders with the CCAA process.

4. Is the Company bankrupt?

No, the Company is not bankrupt. After much consideration, the Ignite Group has decided to file for CCAA protection while it restructures its operations with the intent to emerge as a successful, going concern business. One of the objectives of CCAA protection is to avoid bankruptcy and have the business emerge as a stronger, more viable company that is positioned to thrive. For that reason, CCAA is sometimes referred to as ‘Bankruptcy Protection’.

5. Will the Company be sold during this process?

Ignite Holdings has entered into a share purchase agreement with Southampton Financial Inc. (“**Southampton**”) pursuant to which it is proposed that Southampton will acquire the shares and business of Ignite Services (the “**Proposed Transaction**”), which are held by Ignite Holdings. The Proposed Transaction requires the approval of the Court in the CCAA proceedings, and the Ignite Group intends to return to Court on November 9, 2023, to seek approval of the Proposed Transaction.

Should the Proposed Transaction be approved by the Court, the Ignite Group will work with Southampton towards the closing of the transaction. It is contemplated that the Proposed Transaction will close by no later than December 7, 2023. Additional information will be provided to employees regarding the Proposed Transaction following the November 9, 2023, Court date.

6. Who is in charge of Ignite Services during this process?

Ignite Services remains in control of its operations, subject to the oversight of the Court and the Court-appointed Monitor. Ignite Services’ leadership team will work with the Monitor, counsel, and other stakeholders during the CCAA proceedings.

7. What is happening to my job and how long will I continue to be employed?

Should the Proposed Transaction close, we expect that the majority of Ignite Services’ employees will continue to be employed by Ignite Services. However, unfortunately the employment of a small number of employees may be terminated during the CCAA proceedings. Of course, we will advise employees of any impact to them as circumstances develop.

8. Will I continue to be paid by salary and/or wages?

All employees will continue to be paid their salaries and wages, including any amounts owed to them for work prior to the date of the CCAA filing (i.e., October 30, 2023), unless otherwise notified.

9. Will my vacation be affected?

Employees will continue to earn and be able to use vacation in accordance with Ignite Services’ normal policies and procedures.

10. Will my benefits package continue?

If you are presently participating in Ignite Services’ group benefit plans, your coverage will continue unless otherwise notified.

11. What does this mean for the Company's customers?

Ignite Services will continue to operate in the ordinary course during the CCAA proceedings and will continue to facilitate the needs of customers, including placing new insurance for customers, effecting any amendments and cancellations to existing policies, and providing ongoing advice to meet its customers' insurance needs.

12. What does this mean for the Company's vendors and suppliers?

Unfortunately, the CCAA process prohibits the payment to vendors and suppliers for any goods or services provided before the filing date (i.e., prior to October 30, 2023). However, the Company intends to continue to pay for post-filing (i.e., from and after October 30, 2023) goods and services in the normal course.

13. Will Ignite Services' vendors and suppliers continue to provide goods and services during the CCAA proceedings? How do we operate if they don't?

Ignite Services' vendors and suppliers are expected to continue to provide goods and services to Ignite Services in the normal course during the CCAA proceedings. If you deal directly with any vendors and suppliers, please refer to the vendor and supplier talking points and FAQs. The talking points should not be shared but the FAQs can be sent to vendors and suppliers.

14. How will the Company have funding to pay its employee and post-filing obligations?

In conjunction with the CCAA proceedings, the Company has obtained debtor-in-possession financing from Primary that will provide the Company with sufficient liquidity to allow it to operate in the normal course and pay its employee and post-filing (i.e., from and after October 30, 2023) obligations.

15. How will I be kept informed of developments during the proceedings?

Ignite Group will provide periodic updates on the CCAA proceedings as it directly impacts your situation. Various court materials, including the Monitor reports, will be available at the following website: <https://kpmg.com/ca/IgniteGroup>.