



This is the 1st Affidavit
of Patrick Cooke in this case and it was
made on October ____, 2012

No. S126583
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**

AND

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

AND

IN THE MATTER OF GREAT BASIN GOLD LTD.

PETITIONER

AFFIDAVIT

I, Patrick Cooke, Mining Executive, of Unit 10, Rattray Park, 18 Buckingham Avenue, Craighall Park, Johannesburg, South Africa, MAKE OATH AND SAY AS FOLLOWS:

1. I am a member of the Board of Directors (the "Board") of the Petitioner, Great Basin Gold Ltd. (hereinafter referred to as the "Company" or the "Petitioner"). I am Chairman of the Company's Audit Committee as well as a member of the Company's Compensation, Investment and Executive Committees. As such, I have personal knowledge of the facts and matters deposed to herein. Where I have relied upon other sources of information, I specifically refer to such sources and verily believe them to be true. In preparing this Affidavit, where necessary, I have also consulted with other members of the Board and the Company's senior management team.
2. I am authorized by the Company to make this affidavit.

3. These Proceedings, the circumstances leading up to these proceedings, and the financial difficulties that the Company continues to face everyday have created much uncertainty among key members of the Company's senior management team.

4. In the Board's view there are 6 members of the Company's senior management team (the "**Executives**" or individually the "**Executive**") who are absolutely vital to the Company's ability to successfully emerge from these Proceedings, either by way of a going-concern sale of all or substantially all of the Company's assets or a refinancing of the Company that would fund a plan of compromise or arrangement (a "**Successful Transaction**").

5. In order to facilitate and encourage the continued participation of the Executives who are required to guide the Company through a Successful Transaction, the Company has developed a "key executive retention program" (the "**KERP**"). The KERP has been developed to provide the Executives with a retention payment (the "**Retention Payment**") as an incentive to continue their employment or engagement with the Company through these challenging times.

6. Attached hereto as **Exhibit "A"** is a true copy of the KERP, save and except that the "Annual Base Salary" and "Retention Payment" referred to in Schedule "A" have been redacted (the "**Redacted Information**"). The Redacted Information is compensation information relating to the Executives and has been redacted to protect the KERP participants and to minimize any disruption during these proceedings. I understand that the Redacted Information will be provided in either a supplemental affidavit or in a confidential supplement to the Monitor's Report on the KERP.

7. The names and positions of the Executives are as follows:

- Lou Van Vuuren, Interim Chief Executive Officer
- Willie Beckmann, Vice President, Legal and Compliance;
- Dana Roets, Chief Operating Officer;
- Phil Bentley, Vice President, Geology & Exploration;
- Dawie Mostert, Vice President, Human Capital; and
- Bheki Khumalo, Vice President, Organizational Effectiveness.

8. The roles of each of the Executives above are set out accurately and in detail in Exhibit A. In the Board's view, the continued involvement of each of these individuals is absolutely crucial at this time, particularly with respect to the care and maintenance program that is being carried out at the Burnstone mine in South Africa and with respect to the sales and investment solicitation process ("**SISP**") that the Company will begin to undertake. Each of the Key Executives has specialized knowledge relating to particular aspects of the Company and its businesses. As noted in Exhibit A, the Executives have in-depth knowledge of the Company's operating assets and risks and have formed crucial relationships with key industry players, both in Nevada and in South Africa. Replacement of the Executives is not an option due to the time it will take a new team to become familiar with the operations and to build the relationships with the stakeholders. Further and perhaps most importantly, the Company needs to be able to call upon the Key Executives and needs to have access to their collective experience and background with the Company, as the Company engages in the SISP.

9. Messrs. Van Vuuren and Beckmann (the "**CEO and VP Legal**") have committed to staying with Company in their current positions until March 31, 2013 or the completion of a Successful Transaction, whichever occurs first. Their agreement to remain with the Company during this time is conditional on court-approval of the KERP.

10. Messrs. Roets, Bentley, Mostert, and Khumalo (the "**Other Executives**") have committed to staying with the Company in their current positions until October 31, 2012. After October 31, 2012, the Other Executives have committed to assisting the Company as they are needed on a contractual consulting basis. The Company will need to continue to rely on the Other Executives after October 31, 2012, however the Company does not need to continue to employ these individuals on a full-time basis after that date. Having the Other Executives consult with the Company after October 31, 2012 is more cost-effective than keeping them in the full-time employ of the Company. The Other Executives' agreement to remain with the Company until October 31, 2012 and thereafter on a contractual basis is conditional on court-approval of the KERP.

11. The KERP can be summarized as follows:

- a) Each Executive will be entitled to a set retention payment (the “**Retention Payment**”), provided the following eligibility requirements are met:
- i. the Executive is employed by the Company on the date the Court grants the KERP Approval Order;
 - ii. the Executive has not resigned and his or her employment has not been terminated for cause prior to (a) the expiry of the Executive’s Retention Term or (b) completion of a Successful Transaction, whichever is earlier;
 - iii. in connection with a Successful Transaction, the Executive’s employment with the Company is terminated without cause and the Executive is either not offered employment by the purchaser or continuing entity (as the case may be) or is offered employment by the purchaser or continuing entity on Inferior terms (as defined herein);
 - iv. in the case of a Other Executive, the Other Executive continues to provide services to the Company following the expiry of the Other Executive’s Retention Term pursuant to a written or oral consulting agreement; and
 - v. in the case of a Other Executive, the Other Executive fully and faithfully honours the terms of any written or oral consulting agreement pursuant to which the Other Executive agrees to provide services to the Company following the expiry of the Other Executive’s Retention Term
- b) The Retention Payments for each Key Executive range between approximately 27% - 100% of the Key Executive’s annual base salary and are higher for the CEO and VP Legal and lower for the Other Executives.
- c) 50% of the Executive’s Retention Payment will be payable on November 30, 2012 and the other 50% will be payable on March 31, 2013 or following completion of a Successful Transaction, whichever is earlier.
- d) All payments made under the KERP must have the approval of the Monitor.

e) Payment of entitlements under the KERP shall be secured by a charge on the Company's Property in priority to all Encumbrances and Charges (as those terms are defined in the Initial Order) other than the Administration Charge, the DIP Lender's Charge and the Directors' Charge.

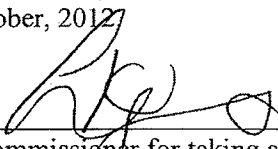
12. I am advised that the Executive's are not prepared to continue in any employment or enter into any consulting engagement with the Company if the terms of the KERP are not approved and the KERP Charge is not granted by the Court.

13. I am advised that the KERP has been presented to Credit Suisse AG ("Credit Suisse"), the Company's major secured creditor and the DIP Lender, and I understand that Credit Suisse supports the KERP.

14. I am advised that the KERP has been presented to the Monitor and that the Monitor will provide a report on the KERP.

15. I make this affidavit in support of an order approving the KERP and granting the KERP Charge.

SWORN BEFORE ME at the City of)
Johannesburg, South Africa, this 9th day of)
October, 2012)
)
)
)
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A commissioner for taking affidavits)
for South Africa)

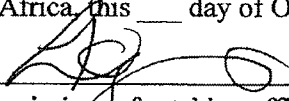




PATRICK COOKE

Kefiloe Lehlohonolo Kgomo
138 West Street
Sandton
Commissioner of Oaths Ex Officio
Republic of South Africa

This is **Exhibit "A"** referred to in the
affidavit of Patrick Cooke
sworn before me at _____,
South Africa, this ___ day of October, 2012



A Commissioner for taking affidavits
within South Africa

Kefiloe Lehlohonolo Kgomo
138 West Street
Sandton
Commissioner of Oaths Ex Officio
Republic of South Africa

CCAA Key Executive Retention Program

October 9, 2012

Introduction

On September 19, 2012, Great Basin Gold Ltd. (the "**Company**") commenced proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceeding**"), and obtained an initial order (the "**Initial Order**") thereunder from the Supreme Court of British Columbia.

The CCAA Proceeding was commenced for the following purposes: (a) to allow the Company to obtain, through the provision of DIP financing, the working capital funds needed to fund the ongoing business operations of the Hollister mine in Nevada (the "**Hollister Mine**") and to effect an orderly shut-down of the Burnstone mine in South Africa (the "**Burnstone Mine**"); and (b) to allow the Company and its subsidiaries (collectively, the "**GBG Group**") to complete a restructuring of the GBG Group's business as a going concern and/or to effect the sale of one or both of the GBG Group's material properties.

The Key Executives

Certain executives of the Company are key to the Company's ability to carry out the purposes for which the CCAA Proceeding was commenced. These individuals are as follows:

1. Lou Van Vuuren, Interim Chief Executive Officer
2. Willie Beckmann, Vice President, Legal and Compliance;
3. Dana Roets, Chief Operating Officer;
4. Phil Bentley, Vice President, Geology & Exploration;
5. Dawie Mostert, Vice President, Human Capital;
6. Bheki Khumalo, Vice President, Organizational Effectiveness;

(collectively, the "**Executives**" and individually the "**Executive**")

The Executives have been instrumental in the restructuring efforts that the Company has made to date. Their efforts are particularly significant in respect of the Burnstone Mine where the socio-political conditions are extremely volatile. The Executives have, in conjunction with the Company's advisors, worked tirelessly to execute a safe shut-down of the Burnstone Mine, with regard to human safety, environmental issues and securing and preserving the Company's assets.

Messrs. Van Vuuren and Beckmann (the "**CEO & VP Legal**") have committed to staying with Company in their current positions until March 31, 2013 or the completion of a Successful

Transaction (as that term is defined below), whichever occurs first. Their agreement to remain with the Company during this time is conditional on court-approval of the Key Executive Retention Program (the "KERP") as set out in Schedule "A" attached hereto.

Should the term of the DIP Facility (as defined in the Initial Order) be extended past March 31, 2013 and should the services of the CEO & VP Legal be requested by the DIP Lenders beyond March 31, 2013 (to a maximum outside date of June 30, 2013) for purposes relating to the marketing and sale of all or substantially all of the Burnstone or Hollister assets, then the CEO & VP Legal agree to negotiate in good faith terms upon which they would be prepared to remain with the Company in their current position or on a contractual consulting basis past March 31, 2013 but not beyond June 30, 2013. Whether or not the CEO & VP Legal agree in their sole discretion to stay on with the Company beyond March 31, 2013 in any capacity they will receive the balance of all amounts due to them on March 31, 2012.

Messrs. Roets, Bentley, Mostert, and Khumalo (the "Other Executives") have committed to staying with the Company in their current positions until October 31, 2012. After October 31, 2012, the Other Executives have committed to assisting the Company as they are needed on a contractual consulting basis. The Other Executives' agreement to remain with the Company until October 31, 2012 and thereafter on a contractual basis is conditional on court-approval of the KERP.

Lou Van Vuuren

Mr. Van Vuuren is the Company's Interim Chief Executive Officer. Mr. Van Vuuren took this appointment on or about August 15, 2012. Prior to this appointment, Mr. Van Vuuren was the Chief Financial Officer of the Company, a position that he had held since March 2008. Mr. Van Vuuren has been instrumental in the restructuring efforts thus far and his talents are absolutely vital to the Company at this time. Given the length of Mr. Van Vuuren's tenure with the Company, he has intimate and extensive knowledge of the Company and its business. Losing Mr. Van Vuuren to another company at this critical time would be devastating. Recognizing this reality, the Company's Board of Directors (the "Board") entered into a retention arrangement with Mr. Van Vuuren upon his appointment as Interim CEO. The Company agreed that Mr. Van Vuuren would receive a retention bonus equal to his annual salary (\$400,000), payable in two equal installments; the first on November 30, 2012 and the second on March 31, 2013 or following the completion of a Successful Transaction (defined below).

Mr. Van Vuuren is the main point of contact with the Company's professional advisors, the monitor (the "Monitor") appointed in the CCAA Proceeding, and the business rescue practitioner (the "BRP") appointed in the South African Business Rescue Proceeding. He also holds key relations with the significant suppliers at the Burnstone Mine and will continue to

facilitate and work with the BRP towards finding solutions during the care and maintenance period (the "Care and Maintenance Period") at the Burnstone Mine. Mr. Van Vuuren will lead Company's executive team throughout the restructuring period.

In the circumstances that the Company currently finds itself, Mr. Van Vuuren is irreplaceable. The Company simply does not have the time or resources to find and train a suitable replacement for Mr. Van Vuuren. Mr. Van Vuuren has indicated that he will resign from his position if the Company does not honour the retention arrangement that was made with Mr. Van Vuuren.

Willie Beckmann

Mr. Beckmann is the Company's Vice President of Legal and Compliance and he has held this position since 2006. Mr. Beckmann is and will continue to be responsible for ensuring that all contractual obligations with suppliers and service providers during the Care and Maintenance Period are dealt with in accordance with the relevant laws and regulations of South Africa and any orders made in the CCAA Proceeding. Mr. Beckmann has worked and will continue to work closely with the special committee of the Board appointed by the Company as well as the BRP to ensure that any notices, instructions, and orders are executed in order to enable implementation of the Company's restructuring initiatives. Mr. Beckmann is a Director of Southgold Exploration Pty. Ltd., one of the Company's South African subsidiaries, and is working closely with the Company and the BRP to preserve value of the Burnstone Mine and to assist with its potential sale. He will also assist with any potential sale of the Hollister Mine.

Mr. Beckmann will be required to remain with the Company until March 31, 2013 or until the completion of a Successful Transaction, whichever occurs first. Another large part of his role in the coming months will be to oversee the Other Executives in their capacity as consultants to the Company after October 31, 2012. Mr. Beckmann will be responsible for ensuring that the Other Executives continue to remain in contact with key stakeholders to safeguard the Burnstone mining rights, licenses and permits during the Care and Maintenance Period (ending December 2012) and to ensure that these rights, licenses and permits remain in good standing.

Dana Roets

Mr. Roets is the Company's Chief Operating Officer. He is and will continue to be in charge of overseeing an orderly shut-down and implementation of the Care and Maintenance program at the Burnstone Mine. Most of the processes and procedures associated with the shut-down and implementation of the Care and Maintenance program will take place over the next month and therefore it is important that Mr. Roets remain with the company on a full-time basis until October 31, 2012. It is expected that Mr. Roets will continue to be consulted by the Company

following October 31, 2012 and Mr. Roets has agreed to make himself available as needed in that capacity.

Part of Mr. Roets' mandate is to ensure that the shut-down procedures and processes followed at the Burnstone Mine are in compliance with the South African *Mines Health and Safety Act* and Regulations. These procedures and processes will include the following:

- safe storage and shut-down of the mechanized equipment fleet of 125 pieces; and
- realignment of the air, water and electricity reticulation systems to comply with the capacity requirements to sustain the minimum regulatory and standard operating procedure levels during the Care and Maintenance Period.

From a water handling perspective, proper realignment of the water reticulation system is critical to ensure that flooding of the mine is prevented and that the water handling capacity is maintained in order not to register any water-discharge occurrences on the surface, which may negatively impact Burnstone's Water Usage License. Burnstone is one of only a few gold mines in South Africa who are in possession of such a license and losing that license could negatively impact on the value of the Burnstone Mine.

Mr. Roets is also responsible to run several close-out meetings with the Principle Inspectorate of the Department of Mineral Resources (the "DMR"), in order to safeguard the Burnstone Mine from compliance orders that could impact on the good standing of DMR operating licenses such as, Winder Operating and Explosive Magazine Permits issued to the Burnstone Mine. During the remainder of the Care and Maintenance Period, Mr. Roets will remain in regular contact with the appointed "Site superintendent" and the Inspectorate to ensure that all of the aforementioned processes and systems remain in working order to keep those permits and licenses intact. With respect to the Hollister Mine, Mr. Roets is responsible for finalizing the Hollister reserve statement and mine plan. Finalization of the aforesaid plans and associated budgetary processes will focus the Hollister management team in their operational turnaround deliverables with the main objective to become a standalone business.

Phil Bentley

Mr. Bentley is the Company's Vice President of Geology and Operations. He verifies and authorizes certain technical reports and operational resource statements which are key in asset value determination. It is prudent to retain his services during the next 4-5 weeks and possibly longer to work closely with the Company and its advisors in respect of a potential sale of the Company's assets in all of the operating areas being, South Africa, Tanzania and Nevada (USA). Accordingly, Mr. Bentley has agreed to remain with the Company on a full-time basis until October 31, 2012. It is expected that Mr. Bentley will continue to be consulted by the Company

following October 31, 2012 and Mr. Bentley has agreed to make himself available as needed in that capacity.

Part of Mr. Bentley's job is also ensuring that plans implemented to safeguard the Company's mineral rights in the various jurisdictions are approved and remain approved by the relevant regulatory authorities as those rights represent further exploration potential and significant upside value. Mr. Bentley will have to remain in regular contact with the relevant authorities, especially over the next 4-5 weeks, to ensure that mineral titles and rights do not lapse and or potential claims from third parties can be fended off if so required.

Dawie Mostert

Mr. Mostert is the Company's Vice President of Human Capital. His role includes ensuring that the retrenchment and restructuring processes implemented in both South Africa and Tanzania complies with minimum legislative requirements in order to ensure that the Care and Maintenance program can be implemented without any disruptions and or delays caused by host community violence or applications for court intervention. He is in continuous negotiations with the recognized labour union, NUM as well as political, state and community stakeholder groups, to ensure that the transition of the Burnstone Mine from operational to Care and Maintenance happens without any industrial action and or violence in the community. The initial phases of the restructuring process has seen high levels of co-operation with management (unlike the tragedy and volatility experienced by other mining companies in South Africa who had to implement similar approaches such as the renowned Marikana disaster), by all the aforementioned stakeholder leaders (at local, regional and head office levels) which included the NUM, DMR, ANC the South African ruling party) and the Dipalasang town council, however to safeguard ongoing stability during the Care and Maintenance Period it would be essential for communication and engagement to remain of the same standard.

Mr. Mostert has received and accepted a job offer with another company, however has agreed and will continue to work with Messrs. Khumalo and Beckmann during the Care and Maintenance Period to ensure that relationship networks established, especially at regional, head office and national level, is sustained to ensure that the mining right in relation to the Burnstone Mine remains secured. Mr. Mostert will remain in his current position with the Company on a full-time basis until October 31, 2012 and will be consulted by the Company thereafter throughout the restructuring period.

Mr. Mostert's key deliverables will be the following:

- A formal Retrenchment agreement with the NUM;

- A close out commitment pack to be delivered to the DMR achieving consensus on the Social and Labour Plan (SLP) projects that will continue during the Care and Maintenance Period, as well, submitting potential focus areas for Burnstone from January 2013 for the next 5 years supporting the Burnstone SLP and therefore the mining right;
- Sign Individual retrenchment agreements with employees in Tanzania
- Finalize an alternative payroll system and process that will replace the current automated system, SAP, as well ensure that all Care and Maintenance staff and corporate employees remaining accept alternative offers of employment to secure skills required to support both the monitor and BRP during this period; and
- Ensure that appropriate workplace insurance cover for employees are implemented to provide adequate cover for both employees and the company with regards to occupational health and injury.
- With respect to the Hollister Mine, ensure that a proper hand over of all employee retirement (both 401-k plan and an update on the cancellation of Rodeo Creek pension plan) and medical insurance arrangements are made in consultation with the company's appointed administrators and advisors and the Hollister senior managers.

Bheki Khumalo

Mr. Khumalo is the Company's Vice President of Organizational Effectiveness. He oversees implementation of programs and procedures relating to the retention of the mining right at the Burnstone Mine and is responsible for ensuring that understanding is reached with host communities and the DMR on how best to re-organize the commitments made during the Care and Maintenance Period in order to keep the mining right intact. From a public/stakeholder relations perspective, Mr. Khumalo is key to relationship building initiatives at the local level to ensure open and effective communication with government and community leaders during the Care and Maintenance Period at the Burnstone Mine.

Mr. Khumalo has agreed to remain with the Company on a full-time basis until October 31, 2012. It is expected that Mr. Khumalo will continue to be consulted by the Company following October 31, 2012 to ensure continuation in stakeholder communication especially at local (host community) level. Furthermore he will ensure that any queries and or potential disputes registered for regulation either for arbitration or the industrial court are dealt with. Mr. Khumalo has agreed to make himself available 1-2 days per week following October 31, 2012 and throughout the restructuring period.

The Need for a Key Executive Retention Program

The CCAA Proceeding has created uncertainty among the Executives with respect to whether they will be adequately compensated if they are to remain with the Company during the restructuring process, either on a full-time or a consult basis. Since the commencement of the CCAA Proceedings, the Executives have been actively solicited by other mining companies and/or prospective employers. It would be devastating to the Company's ability to restructure if the Company were to lose access to the talents and experience of these individuals at this time, a very real prospect if the Executives are not given adequate protections in the CCAA Proceeding.

The Executives have in-depth knowledge of the Company's operating assets, risks and have formed crucial relationships with key industry players, both in Nevada and in South Africa. Replacement of these Executives is not an option due to the time it will take a new team to familiarize themselves with the operations and build the relationships with the stakeholders. The Other Executives that will be departing on October 31, will remain available to assist the Company and the CEO & VP Legal as needed throughout the restructuring period.

In the course of the CCAA Proceeding, the Company will undertake a process to solicit a sale or investment transaction that would permit it to continue as a going concern. In this context, a successful transaction (a "Successful Transaction") means either one or a combination of the following:

1. A sale of all or substantially all of the assets of the Company, in one or more transactions; or
2. An investment in the Company to fund a plan of compromise and arrangement acceptable to the requisite majorities of creditors and approved by the Court.

For the purposes of the KERP discussed in this letter and described in the attached Schedule "A", a Successful Transaction will be deemed implemented when the sale transaction closes (in the case of a sale contemplated in paragraph 1 above) or when the plan of compromise and arrangement is implemented in accordance with its terms (in the case of an investment to fund a plan of compromise and arrangement contemplated in paragraph 2 above).

The Company believes that retention of the Executives, either on a full-time or a consult basis is critical to maximizing the value of the Company and its assets to potential purchasers and investors and that the intended sale or investment solicitation process ("SISP") will require continued focus and dedication of senior management to achieve a Successful Transaction.

The objectives of the KERP are (i) to ensure the retention of the CEO & VP Legal on a full-time basis through to completion of the SISP and implementation of a Successful Transaction; and (ii) to ensure the retention of the Other Executives on a full-time basis until October 31, 2012 and

thereafter as needed by the Company to assist in the completion of the SISP and implementation of a Successful Transaction. The terms of the KERP are set out at Schedule "A".

Implementation of the KERP is conditional on the Court making an Order (the "**KERP Approval Order**") approving the KERP and granting a priority charge (the "**KERP Charge**") in favour of the beneficiaries of the KERP in the assets of the Company, in an aggregate amount sufficient to secure payment of all entitlements under the KERP. The KERP Charge will rank in priority to all Encumbrances and Charges (as those terms are defined in the Initial Order) other than the Administration Charge, the DIP Lender's Charge and the Directors' Charge.

The Company will bring an application for the KERP Approval Order as soon as possible. The court-appointed Monitor, KPMG Inc. is satisfied that the KERP is necessary and appropriate in the circumstances and has confirmed that it will recommend approval of the KERP to the Court

Yours truly,

GREAT BASIN GOLD LTD.



Patrick Cooke, Director and Chairman of the Audit Committee

Schedule "A"

Capitalized terms not otherwise defined in this Schedule "A" shall have the meanings ascribed to them in the letter titled CCAA Key Executive Retention Program, dated October __, 2012 (the "KERP Letter").

Purpose:

The purpose of the KERP is to provide for the retention of the Executives and to incentivize the Executives to engage in the SISP without regard to their respective self interests. The KERP provides that the Executive will receive a set payment (the "Retention Payment") in exchange for the Executive's continued employment or engagement with the Company throughout the Executive's Retention Term (as defined below), subject to the conditions of eligibility and entitlement set out below.

Retention Term:

Each Executive will remain employed by the Company until the following dates or such earlier date that the Company in its sole discretion may determine or such later date that the Company and the Executive may agree to (the "Retention Term"):

Executive	Expiry of Retention Term
Van Vuuren	March 31, 2013
Beckmann	March 31, 2013
Roets	October 31, 2012
Bentley	October 31, 2012
Mostert	October 31, 2012
Khumalo	October 31, 2012

Retention Payment:

The Retention Payment for each Executive is set out as follows:

Executive	Annual Base Salary (CAD) ¹	Retention Payment (CAD)
Van Vuuren	██████████	██████████
Beckmann	██████████	██████████
Roets	██████████	██████████
Bentley	██████████	██████████
Mostert	██████████	██████████
Khumalo	██████████	██████████
Total Retention Amount		\$926,216

For greater clarity, the Retention Payment does not include the Executive's Annual Guaranteed Pay, which is paid in monthly instalments and which will continue to be paid in the normal course so long as the Executive remains employed with the Company. With respect to the Other Executives, the Retention Payment does not include any amounts payable for consulting services provided to the Company by any Other Executive following the expiry of the Other Executive's Retention Term.

Eligibility:

Each of the Executives shall be entitled to participate the KERP provided, in each case, that:

- a) the Executive is employed by the Company on the date the Court grants the KERP Approval Order;
- b) the Executive has not resigned and his or her employment has not been terminated for cause prior to (a) the expiry of the Executive's Retention Term or (b) completion of a Successful Transaction, whichever is earlier;
- c) in connection with a Successful Transaction, the Executive's employment with the Company is terminated without cause and the Executive is either not offered employment by the purchaser or continuing entity (as the case may be) or is offered employment by the purchaser or continuing entity on Inferior terms (as defined herein);
- d) in the case of a Other Executive, the Other Executive continues to provide services to the Company following the expiry of the Other Executive's Retention Term pursuant to a written or oral consulting agreement; and

¹ The Annual Base Salary for each Executive is indicated for reference purposes only.

