

KOSKIE MINSKY

September 28, 2016

James Harnum
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Via Regular Mail

Dear Former Danier Employee:

Re: In the Matter of Danier Leather Inc. (in bankruptcy)
Court File No. 31-2084381

Re: Employee Claims
Our File No. 16/0281

Koskie Minsky LLP is representative counsel to the former employees of Danier Leather Inc. ("Danier"). We are writing to provide you with an update on the current status of the bankruptcy and receivership of Danier.

Employee Claims

We have had extensive negotiations with the trustee, KSV Advisory Services Inc., about a methodology for valuing the various employee claims (the "Claims Methodology"). We are very close to finalizing the Claims Methodology, and will be sending a statement to each of you in the coming weeks which will set out the personal data points upon which we have calculated your claim (the "Information Statements").

Currently, claim values have been calculated on the basis of the information provided by Danier. If a correction needs to be made, such as to your start date, your hourly wage or any other personal information, you will have an opportunity to provide evidence that the information provided by Danier was incorrect.

The vast majority of employee claims relate to amounts owing as a result of the termination of Danier's employees without reasonable notice. In arriving at each of your individual claims, we have identified three categories of employment contracts that each former Danier employee falls into:

1. Those employees who signed an employment contract which limited their recovery upon termination of employment to amounts owing under the applicable employment standards regime in the province they worked in ("ESA Employees").
2. Those employees whose employment contract provided a greater benefit upon termination than that provided under the relevant employment standards legislation ("Contract Employees").

3. Those employees who either did not have a written employment contract or whose employment contract did not address termination entitlements ("Common Law Employees").

Employees in each of these categories will be subject to a different methodology for the valuation of their claims. Employees will also have an opportunity to provide evidence that they are in a different category than that which is reflected in Danier's records.

We are hopeful that the Information Statements setting out the personal information on which your claim is based will be sent soon, but please check our website for updates before becoming concerned that you have not received your statement. We will provide an update on our website when the Information Statements have been sent.

WEPP Claims

Many of you will have applied for payment from the Wage Earner Protection Program ("WEPP"). We understand that most payments have been approved. However, we have been notified that some applications have been denied. If you have been denied a payment from WEPP by Service Canada, it may still be possible to obtain payment. Please contact us and we can review your WEPP entitlement and assist you in re-applying.

Contact Information for Koskie Minsky LLP

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Yours truly,

KOSKIE MINSKY LLP



James Harnum

c. Andrew J. Hatnay, *Koskie Minsky LLP*