

NO. S-138873  
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

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 ARTHON INDUSTRIES LIMITED, ARTHON CONTRACTORS INC.,  
ARTHON EQUIPMENT LTD., COALMONT ENERGY CORP.,  
ROBEKA PROJECTS INC. AND 0755049 B.C. LTD.

PETITIONERS

**ORDER MADE AFTER APPLICATION**

BEFORE THE HONOURABLE  
MR. JUSTICE SEWELL

)  
)  
)  
)

FRIDAY, THE 19<sup>TH</sup> DAY OF  
DECEMBER, 2014

THE APPLICATION of Arthon Industries Limited ("**Industries**"), Arthon Equipment Ltd., Coalmont Energy Corp., Robeka Projects Inc. and 0755049 B.C. Ltd. (collectively the "**Remaining Petitioners**") coming on for hearing at Vancouver, British Columbia, on the 19<sup>th</sup> day of December, 2014; AND ON HEARING H. Lance Williams and ~~Tijana Gavric~~ <sup>H. Lance Williams and Tijana Gavric</sup>, counsel for the Remaining Petitioners, and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed herein;

THIS COURT ORDERS THAT:

**SERVICE**

1. The time for service of the Notice of Application herein be and is hereby abridged and the Notice of Application is properly returnable today and service thereof upon any person other than those on the Service List be and is hereby dispensed with.

**DEFINITIONS**

2. Any capitalized terms not otherwise defined in this Order (the "**Sanction Order**") shall have the meanings given to them in the Amended Plan of Compromise and Arrangement

concerning, affecting and involving Industries dated November 25, 2014 and amended December 15, 2014 (the "**Plan**"), a copy of which is attached hereto as **Schedule "B"**.

### THE MEETINGS

3. There has been good and sufficient service and delivery to all Affected Creditors of the Meeting Order granted by this Court on November 28, 2014 in relation to Industries, and all documents referred to in the Meeting Order, including the Meeting Materials (as defined in the Meeting Order).
4. The Creditors' Meeting was duly convened and held in conformity with the *Companies' Creditors Arrangement Act* ("**CCAA**"), and all applicable Orders of the Court made in these proceedings, including the Meeting Order.
5. The Plan has been agreed to and approved by the Required Majority of the Affected Creditors in conformity with the CCAA.

### SANCTION OF THE PLAN

6. Industries has complied with the provisions of the CCAA and the Orders of the Court made in these proceedings.
7. Industries has not done or purported to do anything that is not authorized by the CCAA.
8. The Plan and transactions contemplated thereby are procedurally and substantively fair and reasonable, not oppressive, and are in the best interests of Industries and the Persons affected by the Plan.
9. The Plan is hereby finally and absolutely sanctioned and approved pursuant to the provisions of Section 6 of the CCAA and, at the Implementation Date, all terms, conditions, and releases set forth in the Plan are binding and effective on all Persons or parties named or referred to in, affected by or subject to the Plan.

### PLAN IMPLEMENTATION

10. Industries and the Monitor are each, as applicable, authorized and directed to take all actions necessary or appropriate, in each case consistent with and in accordance with the terms of the Plan, to enter into, adopt, execute, deliver, implement and consummate the contracts, instruments, releases, and all other agreements or documents to be created or which are to come into effect in connection with the Plan, and all matters contemplated under the Plan involving any corporate action of Industries on behalf of Industries, and such actions are

hereby approved and will occur and be effective in accordance with the Plan and this Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, directors or officers of Industries. Further, to the extent not previously given, all necessary approvals to take such action shall be and are hereby deemed to have been obtained from the directors or the shareholders of Industries, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution, and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated in the Plan shall be effective or have any force or effect.

11. The Monitor is hereby further authorized and directed to take all steps and actions, and to do all things, required of the Monitor to facilitate the implementation of the Plan, in each case consistent with and in accordance with its terms, and, where necessary or appropriate to do so, to enter into, execute, deliver, implement and consummate all of the steps, transactions, certificates and agreements contemplated by the Plan.
12. As of the Implementation Date, the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby shall be binding and effective in accordance with the provisions of the Plan, and shall enure to the benefit of Industries, the Released Parties, all Affected Creditors, existing shareholders, past and present directors or officers of Industries, including *de facto* directors and officers, if any, and all other Persons named or referred to in, affected by, or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

#### **COMPROMISE OF CLAIMS AND EFFECT OF PLAN**

13. Pursuant to and in accordance with the Plan, any and all Affected Claims of any nature shall be forever compromised, discharged and released, and the ability of any Person to proceed against Industries in respect of or relating to any Affected Claims shall be forever barred, discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claim are hereby permanently stayed, subject only to the rights of the Affected Creditors to receive distributions in respect of their Affected Claims pursuant to, and in accordance with, the Plan and this Sanction Order.
14. Notwithstanding (i) the pendency of the CCAA Proceedings and the declaration of insolvency made therein; (ii) any applications for a bankruptcy order now pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") in respect of Industries and any bankruptcy order

issued pursuant to any such application; (iii) any assignment in bankruptcy made in respect of Industries; or (iv) the provisions of any federal or provincial statute, the transactions, payments, steps, and releases or compromises made during the CCAA Proceedings contemplated to be performed or effected pursuant to the Plan and this Sanction Order (a) shall be binding on any trustee in bankruptcy that may be appointed in respect of Industries; (b) shall not be void or voidable; (c) shall not constitute or be deemed to be a fraudulent preference or assignment, fraudulent conveyance, transfer at undervalue, preference or any other challengeable or voidable transaction under the BIA or any other applicable federal or provincial legislation; and (d) shall not constitute or be deemed to be oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. The determination of Allowed Claims in accordance with the Claims Procedure Order, Meeting Order and the Plan shall be final and binding on Industries and all Affected Creditors.
16. Without limiting the provisions of the Claims Procedure Order, the Meeting Order or the Plan, an Affected Creditor that did not file a Proof of Claim by the Claims Bar Date or otherwise in accordance with the provisions of the Claims Procedure Order, the Meeting Order and the Plan, whether or not such Affected Creditor received direct notice of the claims process established by the Claims Procedure Order, shall be and is hereby forever barred from making any Claim against Industries and shall not be entitled to any distribution under the Plan, and such Affected Creditor's Claim shall be and is hereby forever barred and extinguished. Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date (as defined in the Claims Procedure Order), or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order, the Meeting Order, the Plan or this Sanction Order.
17. Each Affected Creditor is hereby deemed to have consented and agreed to all of the provisions in the Plan in its entirety, and each Affected Creditor is hereby deemed to have executed and delivered to Industries all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.
18. As of the Implementation Date, all compromises, waivers, releases and injunctions effected by the Plan (including, but not limited to those in Article 8 of the Plan) are hereby approved, binding and effective as set out in the Plan on all Affected Creditors and any and all other Persons affected by the Plan. Any and all Persons shall be and are hereby stayed from commencing, taking, applying for or issuing or continuing any and all steps or proceedings,

including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims and any matter which is released pursuant to this Sanction Order and the Plan.

#### **NON-TERMINATED CONTRACTS AND FURTHER PROCEEDINGS**

19. As of and from the Implementation Date and except to the extent previously contemplated by the Plan, Non-Terminated Contracts shall be and remain in full force and effect as between Industries and any counterparty, unamended as of the Implementation Date, and no Person who is a party to any such contract, obligation or agreement shall, on or after the Implementation Date, accelerate, terminate, rescind, refuse to renew, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise, or purport to enforce or exercise, any right (including any right of set off, combination of accounts, dilution, buy out, divestiture, forced purchase or sale option or other remedy) or make any demand under or in respect of any such obligation or agreement, by reason of:
- (a) any event or matter which existed or occurred on or before, and is not continuing after the Implementation Date or which is or continues to be suspended or waived under the Plan, which would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of Industries);
  - (b) any default or event of default arising as a result of the financial condition or insolvency of Industries prior to the Implementation Date;
  - (c) any effect upon Industries of the completion of any of the transactions contemplated under the Plan or completed during the CCAA Proceedings;
  - (d) any compromises, arrangements, reorganizations or transactions effected pursuant to the Plan or completed during the CCAA Proceedings; or
  - (e) any change in the control of Industries arising from the implementation of the Plan and it is hereby declared that any consent required under any such contracts, leases, agreements or other arrangements in respect of any such change of control are hereby deemed satisfied.
20. As of the Implementation Date, the commencement or prosecution, whether directly, derivatively or otherwise, or any demands, claims, actions, counterclaims, suits, judgments,

or other remedy or recovery with respect to any indebtedness, liability, obligation or cause of action released, discharged or terminated pursuant to the Plan is permanently enjoined.

21. Subject to further order of the Court, all CCAA Charges shall continue in effect as against Industries until all obligations secured thereby are either (i) paid in full or (ii) otherwise secured, satisfied or arranged on terms acceptable to Industries and the beneficiaries of the CCAA Charges. The CCAA Charges in relation to the other Petitioners are unaffected by this Sanction Order.

#### THE MONITOR

22. As of the Implementation Date, the Monitor shall be discharged and released from its duties in relation to Industries, other than those obligations, duties and responsibilities necessary or required to give effect to the terms of the Plan, the Claims Procedure Order and this Sanction Order.
23. The actions and conduct of the Monitor in the CCAA Proceedings in relation to Industries only are hereby approved. In addition to the rights and protections afforded the Monitor under the CCAA, the Initial Order, the Plan and as an officer of this Court, the Monitor shall incur no liability or obligation whatsoever as a result of its appointment, the carrying out of its duties or obligations in the CCAA Proceedings in relation to Industries, including the discharge of duties or obligations under the Plan and the implementation thereof, save and except any claim or liability arising out of fraud, willful misconduct or gross negligence on the part of the Monitor.
24. No action or other proceeding shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor in the CCAA Proceedings in relation to Industries except with prior leave pursuant to an order of this Court made on prior written notice to the Monitor and such further order may provide security for costs, including if the Court so determines, the full costs and disbursements of the Monitor in connection with any proposed action or proceedings.
25. Upon completion by the Monitor of its duties pursuant to the CCAA, the Plan and all applicable Orders of this Court, the Monitor may file with the Court a Certificate of Plan Termination, substantially in the form attached hereto as **Schedule "C"** stating that all of its aforementioned duties have been completed and thereupon, Alvarez & Marsal Canada Inc. shall be deemed to be discharged from its duties as Monitor of Industries. Nothing in this Sanction Order affects the role of the Monitor in relation to any of the other Remaining Petitioners.

#### **DISCHARGE OF INDUSTRIES FROM CCAA PROCEEDINGS**

26. On the Implementation Date, Industries shall be discharged and released from the CCAA Proceedings.

#### **AID AND RECOGNITION OF THIS SANCTION ORDER**

27. This Sanction Order shall have full force and effect in all Provinces and Territories of Canada and abroad as against all Persons against whom it may otherwise be enforced.

#### **ADDITIONAL PROVISIONS**

28. Industries, the Monitor, and any other interested parties are hereby granted leave to apply to this Court for any directions or determinations required to resolve any matter or dispute relating to the Plan, this Sanction Order or the subject matter thereof and the rights and benefits thereunder, provided that no provision of this Sanction Order shall be construed to modify or impair any right, title, interest, privilege or remedy expressly provided for or reserved under the Plan.

#### **APPROVAL**

29. Endorsement of this Sanction Order by counsel appearing, other than counsel for the Remaining Petitioners, is hereby dispensed with.

THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any Federal or State Court or administrative body in the United States of America, to act in aid of and to be complementary to this Court in carrying out the terms of this Sanction Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to Industries and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Sanction Order, to grant representative

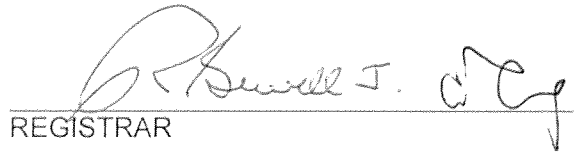
status to the Monitor in any foreign proceeding, or to assist Industries and the Monitor and their respective agents in carrying out the terms of this Sanction Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Davis LLP (H. Lance Williams & Tijana Gavric)  
Counsel for the Remaining Petitioners

BY THE COURT

  
REGISTRAR



## SCHEDULE "A"

Counsel List	
Name	Party Represented
Magnus Verbrugge	Callidus Capital Corporation
Peter Bychawski	Alvarez & Marsal Canada Inc., the court-appointed Monitor.

## SCHEDULE "B"

NO. S-138873  
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
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ROBEKA PROJECTS INC. AND 0755049 B.C. LTD.

PETITIONERS

**AMENDED PLAN OF COMPROMISE AND ARRANGEMENT OF  
ARTHON INDUSTRIES LIMITED**

ORIGINAL PLAN DATE: NOVEMBER 25, 2014  
AMENDED: DECEMBER 15, 2014

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## ARTICLE 1 INTERPRETATION

1.1 **Definitions.** In this Plan, unless otherwise stated or the context requires otherwise:

- (a) **"Affected Claims"** means all Claims and Restructuring Claims other than Excluded Claims;
- (b) **"Affected Creditor"** means any creditor who has an Affected Claim;
- (c) **"BIA"** means the *Bankruptcy and Insolvency Act* (Canada), as amended;
- (d) **"Business Day"** means any day, other than a Saturday, a Sunday, or a statutory holiday in British Columbia;
- (e) **"CCAA"** means the *Companies' Creditors Arrangement Act* (Canada), as amended;
- (f) **"CCAA Charge"** means, collectively, the Administration Charge and the D&O Charge (as such terms are defined in the Initial Order) and any other charge over Industries' assets created by other order of the Court, and as such charges may be amended, modified or varied by further order of the Court;
- (g) **"CCAA Proceedings"** means the proceedings commenced by the Petitioners pursuant to the CCAA, being Supreme Court of British Columbia Action No. S-138873, Vancouver Registry;
- (h) **"Chair"** means the chair of the Creditors' Meeting as designated by the Meeting Order;
- (i) **"Claim"** means any right or claim of any Person against Industries in connection with any indebtedness, liability or obligation of any kind whatsoever of Industries owed to such Person and any interest accrued thereon or costs, fees or other amounts in respect thereof, whether reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Claim arising from or caused by the repudiation by Industries of any contract, lease or other agreement, whether written or oral, the commission of a tort (intentional or unintentional), any breach of duty (legal, statutory, equitable, fiduciary or otherwise), any right of ownership or title to property, employment, contract, a trust or deemed trust, howsoever created, any Claim made or asserted against Industries through any affiliate, or any right or ability of any Person to advance a Claim for contribution or indemnity or otherwise with respect to any grievance, matter, action, cause or chose in action, whether existing at present or commenced in the future, in each case based in whole or in part on facts which existed on the Filing Date or which would have been, or together with any other Claims of any kind that, if unsecured, would constitute, a debt provable in bankruptcy within the meaning of the BIA had Industries become bankrupt on the Filing Date;
- (j) **"Claim Amount Notice"** has the meaning ascribed in the Claims Procedure Order;
- (k) **"Claims Bar Date"** means November 28, 2014, the bar date for filing Claims as set out in the Claims Procedure Order, with the exception of Restructuring Claims, which have rolling bar dates subsequent to November 28, 2014 as set forth in the Claims Procedure Order;

- (l) "**Claims Procedure Order**" means the order pronounced October 30, 2014 establishing, among other things, procedures for proving Claims and Restructuring Claims;
- (m) "**Court**" means the Supreme Court of British Columbia;
- (n) "**Creditors' Fund**" means the sum of \$433,500.00 to be made available and segregated into a separate account by Industries for the satisfaction of Proven Claims as set out herein;
- (o) "**Creditors' Meeting**" means the meeting of Affected Creditors holding Voting Claims called pursuant to the Meeting Order for the purposes of, among other things, considering and, if deemed appropriate, approving the Plan and includes any adjournment, postponement or other rescheduling of such meeting;
- (p) "**Creditors' Meeting Date**" means the date fixed for the Creditors' Meeting pursuant to the Meeting Order, subject to any adjournment or postponement or further order;
- (q) "**Directors/Officers Claim**" has the meaning ascribed in the Claims Procedure Order;
- (r) "**Disallowed Claim**" means any Affected Claim, including any portion thereof, that has been disallowed, denied, dismissed, or overruled in accordance with the provisions of the Claims Procedure Order and any other applicable orders;
- (s) "**Disputed Claim**" means any Affected Claim or any portion thereof that is subject to a Notice of Revision or Disallowance, a Notice of Dispute or is otherwise being challenged as authorized by the Court, and in any case has become neither a Proven Claim nor a Disallowed Claim;
- (t) "**Disputed Claim Reserve**" means the reserve to be established and maintained under this Plan by the Monitor by holding, on account of Disputed Claims, an amount from the Creditors' Fund equal to the amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims for their entire amount on the Implementation Date;
- (u) "**Employee Priority Claims**" mean the following Affected Claims of employees and former employees of Industries:
  - (i) Claims equal to the amounts that such employees and former employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if Industries had become bankrupt on the Filing Date; and
  - (ii) Claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the Plan Implementation Date together with, in the case of travelling salespersons, disbursements properly incurred by them in and about Industries' business during the same period;
- (v) "**Excluded Claims**" has the meaning ascribed to such term in Section 2.3;
- (w) "**Filing Date**" means November 29, 2013;
- (x) "**Government Priority Claims**" means any Claim owing to Her Majesty the Queen in right of Canada or any Province as described in Section 6(3) of the CCAA;
- (y) "**Governmental Entity**" means any: (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department,

central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) subdivision, agent, commission, board, or authority of any of the foregoing; or (iii) quasi governmental or private body exercising any regulatory, expropriation or taxing authority under or, for the account of, any of the foregoing;

- (z) **"Implementation Date"** means the date that is 1 day following the satisfaction or waiver of the conditions precedent set out in Section 9.6;
- (aa) **"Industries"** means Arthon Industries Limited;
- (bb) **"Initial Order"** means the Order made November 29, 2013, as amended from time to time, pursuant to which, among other things, the Petitioners were granted certain relief pursuant to the CCAA;
- (cc) **"Intercompany Claim"** means any Claim of any Petitioner against Industries or of any direct or indirect subsidiary of a Petitioner against Industries;
- (dd) **"Laws"** means all statutes, regulations, statutory rules, orders, judgments, decrees and terms and conditions of any grant of approval, permission, authority, permit or license of any court, Governmental Entity, statutory body or self-regulatory authority, and the term "applicable" with respect to such Laws and in any context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Entity having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;
- (ee) **"Lien"** means, with respect to any interest in property, any mortgage, lien, pledge, charge, security interest, easement or encumbrance of any kind whatsoever, under Canadian, American, or other applicable Law, affecting such interest in property;
- (ff) **"Material Disputed Claim"** has the meaning ascribed to such term in Section 5.6;
- (gg) **"Meeting Order"** means the order dated November 28, 2014, as amended or supplemented from time to time by further orders which, among other things, sets the Creditors' Meeting Date and establishes meeting procedures for the Creditors' Meeting;
- (hh) **"Monitor"** means Alvarez & Marsal Canada Inc., or any successor thereto, appointed Monitor of Industries in accordance with the Initial Order or any further order;
- (ii) **"Non-Terminated Contracts"** means the permits, licenses, contracts and purchase orders associated with the business of Industries, if any, that are not terminated before the Implementation Date, either in their current form or as negotiated with the applicable counterparties;
- (jj) **"Notice of Dispute"** has the meaning ascribed to such term in the Claims Procedure Order;
- (kk) **"Notice of Revision or Disallowance"** has the meaning ascribed to such term in the Claims Procedure Order;
- (ll) **"Obligations"** has the meaning ascribed to such term in Section 8.1(a);
- (mm) **"Petitioners"** means Industries, Arthon Contractors Inc., Arthon Equipment Ltd., Coalmont Energy Corp., Robeka Projects Inc. and 0755049 B.C. Ltd., and "Petitioner" means any one of them;



- (nn) **"Person"** means any person, including any individual, partnership, joint venture, venture capital fund, association, corporation, limited liability company, limited liability partnership, unlimited liability company, trust, trustee, executor, administrator, legal personal representative, estate, group, unincorporated association or organization, Governmental Entity, syndicate, the Monitor, or other entity, whether or not having legal status;
- (oo) **"Plan"** means this plan of compromise and arrangement filed by Industries pursuant to the provisions of the CCAA, as it may be modified, amended, varied or supplemented by Industries from time to time in accordance with its terms;
- (pp) **"Plan Date"** means November 25, 2014;
- (qq) **"Proof of Claim"** has the meaning ascribed to such term in the Claims Procedure Order;
- (rr) **"Proven Claim"** means, in respect of an Affected Creditor, the amount or any portion of the amount of the Affected Claim of such Affected Creditor as agreed by Industries or finally determined for distribution purposes in accordance with the provisions of this Plan, the CCAA, the Claims Procedure Order and any other applicable order;
- (ss) **"Post-Filing Claims"** any right or claim of any Person that may be asserted or made in whole or in part against Industries in connection with any indebtedness, liability or obligation of any kind which arose in respect of obligations first incurred on or after the Filing Date (other than Restructuring Claims) and any interest thereon, including any obligation of Industries toward creditors who have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to Industries on or after the Filing Date, but only to the extent of their claims in respect of the supply of such services, utilities, goods, materials or funds on or after the Filing Date;
- (tt) **"Released Claims"** has the meaning ascribed to such term in Section 8.1(b);
- (uu) **"Released Parties"** has the meaning ascribed to such term in Section 8.1(b);
- (vv) **"Restructuring Claim"** means any right or Claim of any Person against Industries arising as a result of or in connection with the repudiation, breach, termination or restructuring by Industries after the Filing Date of any contract, purchase order, agreement, lease, employment or other obligation of any kind whatsoever;
- (ww) **"Required Majority"** means the affirmative vote of a majority in number of the Affected Creditors having Voting Claims and voting on the approval of this Plan (in person or by proxy) at the Creditors' Meeting and representing not less than 66⅔% in value of the Voting Claims;
- (xx) **"Sanction Order"** means an order sanctioning this Plan pursuant to the CCAA, as such Order may be amended or supplemented from time to time;
- (yy) **"Secured Creditor"** means any person holding a perfected mortgage, pledge, charge or lien on or against the property Industries or any part as security for a debt due or accruing due to the person from Industries;
- (zz) **"Taxes"** means any and all taxes, duties, fees, pending assessments, reassessments and other governmental charges, duties, impositions and liabilities of any kind whatsoever (including any Claims by Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any Province or Territory of Canada, the Canada Revenue Agency and any similar revenue or taxing authority, including any municipality, of any

Province or Territory of Canada), including all interest, penalties, fines and additions with respect to such amounts;

- (aaa) **"Unaffected Creditor"** means any creditor that holds an Excluded Claim, in respect of and to the extent of such Excluded Claim; and
- (bbb) **"Voting Claim"** means, in respect of an Affected Creditor, the Canadian dollar amount of the Affected Claim of such Affected Creditor accepted for purposes of voting at the Creditors' Meeting in accordance with the provisions of this Plan and the Meeting Order.

1.2 **Interpretation, etc.** For purposes of this Plan:

- (a) any reference in this Plan to a contract, instrument, release, order, agreement or other document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference in this Plan to an existing document or exhibit filed or to be filed means such document or exhibit as it may have been or may be modified, amended, varied or supplemented;
- (c) all references to currency and to "\$" are to Canadian dollars, except as otherwise indicated;
- (d) unless otherwise specified, the words "hereof", "herein", "hereunder", and "hereto" refer to this Plan in its entirety rather than to any particular portion of this Plan;
- (e) the division of this Plan into Articles, Sections, and paragraphs and the insertion of captions and headings to Articles, Sections, and paragraphs are for convenience of reference only and are not intended to affect the interpretation of, or to be part of this Plan;
- (f) where the context requires, a word or words importing the singular shall include the plural and vice versa and a word or words importing one gender shall include all genders;
- (g) the deeming provisions are not rebuttable and are conclusive and irrevocable;
- (h) the words "includes" and "including" are not limiting; and
- (i) the word "or" is not exclusive.

- 1.3 **Date for any Action.** In the event that any date on which any action is required to be taken under this Plan by any of the parties is not a Business Day, that action shall be required to be taken on the next succeeding day that is a Business Day.

- 1.4 **Statutory References.** Unless otherwise specified, any reference in this Plan to a statute includes all regulations made thereunder and all applicable amendments to such statute or regulations in force, from time to time, or any statute or regulations that supplement or supersede such statute or regulations.

## ARTICLE 2 EFFECT OF PLAN AND CLASSIFICATION OF CREDITORS

- 2.1 **Persons Affected.** The Plan applies to every Affected Claim (whether or not the Affected Creditor has proven a claim against Industries). This Plan will be binding on and enure to the

benefit of Industries, the Released Parties, the Affected Creditors, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons who have received the benefit of, or are bound by, any compromises, waivers or releases hereunder.

2.2 **Classes of Creditors.** There will be one class of creditors consisting of the Affected Creditors.

2.3 **Excluded Claims.** For greater certainty, this Plan does not affect the following (each, an "Excluded Claim"):

- (a) Post-Filing Claims;
- (b) any claim secured by any CCAA Charge;
- (c) any claim by a Secured Creditor;
- (d) that portion of a Affected Claim arising from a cause of action for which Industries is covered by insurance, but only to the extent of such coverage;
- (e) any Intercompany Claim;
- (f) any claims with respect to reasonable fees and disbursements of counsel for Industries, the Monitor, or any financial advisor retained by any of the foregoing, as approved by the Court to the extent required;
- (g) Employee Priority Claims;
- (h) Government Priority Claims; and
- (i) any claim which is not a "claim" as defined in the CCAA.

### ARTICLE 3 TREATMENT OF AFFECTED CREDITORS

3.1 **Treatment of Affected Creditors.** Affected Creditors shall receive the following:

- (a) each Affected Creditor with Proven Claims in the aggregate equal to or less than \$5,000.00 shall receive a cash distribution in an amount equal to the lesser of:
  - (i) the full amount of the aggregate of their Proven Claims; and
  - (ii) \$5,000.00;to be paid from the Creditor's Fund;
- (b) each Affected Creditor with Proven Claims the aggregate amount of which is greater than \$5,000.00 shall receive a cash distribution in an amount equal to the lesser of:
  - (i) the full amount of the aggregate of their Proven Claims; and
  - (ii) the aggregate of:
    - A. \$5,000.00; and
    - B. their *pro rata* share of the Creditors' Fund after the payment of all amounts in paragraphs 3.1(a) and 3.1(b)(ii)A above;

to be paid from the Creditors' Fund.

None of the above payments will bear interest in any circumstances.

- 3.2 **Effect of Plan on Affected Creditors.** Upon completion of the above payments, Industries shall be released from all Affected Claims to each such Affected Creditor, save as otherwise incurred by Industries after the Implementation Date.

#### ARTICLE 4 TREATMENT OF EXCLUDED CLAIMS

- 4.1 **Treatment of Unaffected Creditors.** Unaffected Creditors will not be entitled to vote the amounts of their Excluded Claims at the Creditors' Meeting or receive any distributions pursuant to this Plan in respect of the portions of their Claims that are Excluded Claims. Nothing in this Plan shall affect the defences, both legal and equitable, with respect to any Excluded Claim including any rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Excluded Claim.
- 4.2 **Priority Claims.** Within six (6) months after the Sanction Order, Industries will pay in full all Employee Priority Claims and Government Priority Claims.
- 4.3 **Post-Filing Claims.** Creditors having Post-Filing Claims will be paid the full amount of such post-filing Claims in accordance with such arrangements as are negotiated between such creditors and Industries.
- 4.4 **Secured Creditors.** Secured Creditors will be paid the full amount of their claims in accordance with such arrangements as are negotiated between such creditors and Industries.

#### ARTICLE 5 VALUATION OF AFFECTED CLAIMS, THE CREDITORS' MEETING AND RELATED MATTERS

- 5.1 **Conversion of Affected Claims into Canadian Currency.** For purposes of determining the value of Affected Claims denominated in currencies other than Canadian dollars for voting and distribution purposes:
- (a) any Affected Claim, other than a Restructuring Claim, shall be converted by the Monitor to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging the relevant currency to Canadian dollars on the Filing Date; and
  - (b) any Restructuring Claim shall be converted by the Monitor to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging the relevant currency to Canadian dollars on the date of the notice giving rise to such Restructuring Claim.
- 5.2 **Affected Claims.** Affected Creditors shall be entitled to prove their respective Affected Claims in accordance with the Claims Procedure Order, vote their Voting Claims in respect of this Plan in accordance with the Meeting Order and, if their Affected Claims become Proven Claims, receive the distributions provided for pursuant to this Plan. If an Affected Creditor has failed to prove its Affected Claim prior to the relevant Claims Bar Date and has not, in accordance with the Claims Procedure Order, been permitted to prove its claim late, such Affected Creditor shall be forever barred from voting at the Creditors' Meeting and from receiving a distribution under the Plan or otherwise, and Industries shall be released from the Affected Claims of such Affected Creditor and Sections 8.1 and 8.2 shall apply to all such Affected Claims.
- 5.3 **Creditors' Meeting.** The Creditors' Meeting shall be held in accordance with this Plan, the Meeting Order and any further order that may be made from time to time, for the purposes of,

among other things, considering and voting on the Plan or any other matters to be considered at the Creditors' Meeting.

- 5.4 **Approval by the Affected Creditors.** Industries will seek approval of this Plan by the affirmative vote of the Required Majority. Any resolution to be voted on at any Creditors' Meeting in respect of this Plan will be decided by the Required Majority on a vote by ballot, and any other matter submitted for a vote at the Creditors' Meeting shall be decided by a majority of votes cast on a vote by a show of hands, unless the Chair decides, in his sole and absolute discretion, to hold such vote by way of ballot.
- 5.5 **Order to Establish Procedure for Valuing Affected Claims.** The procedure for valuing Affected Claims for voting and distribution purposes, and resolving disputes in respect of any such valuation, is set forth in the Claims Procedure Order and the Meeting Order. Industries reserves the right to seek the assistance of the Court in valuing the Affected Claim of any Affected Creditor, if deemed advisable, or in determining the result of any vote at the Creditors' Meeting, or the amount, if any, to be distributed to any Affected Creditor under this Plan, as the case may be.
- 5.6 **Affected Claims for Voting Purposes.** Each Affected Creditor with one or more Voting Claims shall be entitled to one (1) vote and the weight attributed to such vote (for the purposes of determining the Required Majority) shall be equal to the aggregate Canadian dollar value of such Affected Creditor's Voting Claims (if necessary, converted into Canadian dollars in accordance with Section 5.1).

If the amount of the Affected Claim of any Affected Creditor is not resolved for voting purposes by the date of the Creditors' Meeting in accordance with the Claims Procedure Order and the Meeting Order, such Affected Creditor shall be entitled to vote at the Creditors' Meeting based on that portion of its Affected Claim which has been accepted for voting purposes by Industries, without prejudice to the rights of Industries or the Monitor with respect to the final determination of the Affected Creditor's Proven Claim for distribution purposes in accordance with the terms of the Claims Procedure Order, the Meeting Order, and this Plan.

Affected Creditors whose Affected Claims are Disputed Claims, in full or in part, and which remain, at the time of the Creditors' Meeting, in dispute or under appeal in accordance with the Claims Procedure Order, shall have their voting intentions with respect to such Disputed Claim recorded by the Monitor and reported to the Court.

In the event that the outcome of the vote is determined by the vote of a person holding a Disputed Claim (a "**Material Disputed Claim**"), Industries shall apply to the Court at the earliest possible opportunity for a summary determination as to the quantum and validity of the Disputed Claim, or shall compromise such Disputed Claim, with the assistance of the Monitor, as may be appropriate.

Until such time as the validity and quantum of each Material Disputed Claim is determined in accordance with the process set forth in the Claims Procedure Order, including by way of agreement between Industries and the person holding the Material Disputed Claim, or determination by the Court, the status quo as contemplated under the terms of the Initial Order will be maintained and any application for the Sanction Order will be deferred until the dispute has been resolved.

No Affected Creditor shall be entitled to bifurcate or sub-divide an Affected Claim for purposes of voting or distribution.

If an Affected Creditor assigns part, but not all of an Affected Claim, then only the Affected Creditor shall be entitled to vote at the Creditors' Meeting (in person or by proxy) and the value of

such vote shall be the unassigned portion of such Affected Creditor's Voting Claim. The assignee of such Affected Creditor's Affected Claim shall not be entitled to vote the assigned portion at the Creditors' Meeting.

- 5.7 **Adjournments.** If the Creditors' Meeting is adjourned or postponed by the Chair, in his or her sole and absolute discretion, or because quorum is not obtained, the Creditors' Meeting will be adjourned, postponed or otherwise rescheduled by the Monitor to such date, time and place as may be decided by the Chair, in his sole and absolute discretion and upon such notice as he or she deems appropriate.
- 5.8 **Voting of Proxies.** Any Affected Creditor's proxy will be voted on any ballot in accordance with the Affected Creditor's instruction to vote for or against the approval of the Plan and any other matters before the Creditors' Meeting. In the absence of such instruction, the proxy will be voted for the approval of the Plan.

Forms of proxy may confer discretionary authority on the individuals designated therein with respect to amendments or variations of matters identified in the notice of the Creditors' Meeting and other matters that may properly come before the Creditors' Meeting.

All matters related to the solicitation of votes for the Creditors' Meeting, the mailing of materials to Affected Creditors and the voting procedure and tabulation of votes cast at the Creditors' Meeting shall be as set forth in the Meeting Order.

## ARTICLE 6 PROVISIONS REGARDING DISTRIBUTIONS

- 6.1 **Distributions for Affected Claims.** Except as otherwise provided herein or as ordered by the Court, distributions to be made on account of Affected Claims that are Proven Claims shall be made on the Implementation Date. Distributions on account of Affected Claims that are determined to be Proven Claims after the Implementation Date shall be made in accordance with Article 7.
- 6.2 **Assignment of Affected Claims.** For purposes of determining entitlement to receive any distribution pursuant to the Plan, Industries, the Monitor, and each of their respective agents, successors and assigns, shall have no obligation to recognize any transfer or assignment of any Affected Claim unless and until notice of the transfer or assignment from either the transferor, assignor, transferee or assignee, together with evidence showing ownership, in whole or in part, of such Affected Claim and that such transfer or assignment was valid at Law, has been received by Industries and the Monitor at least five (5) Business Days prior to the Implementation Date (or such other date as Industries and the Monitor may agree).
- 6.3 **Interest on Affected Claims.** Interest shall not accrue or be paid on any Affected Claim after or in respect of the period following the Filing Date. To the extent that any Proven Claim to which a distribution under this Plan consists of indebtedness and accrued but unpaid interest thereon, such distribution shall, to the extent permitted by applicable Law, be allocated to the principal amount of the Proven Claim first and then, to the extent that the consideration exceeds the principal amount of the Proven Claim, to the portion of such Proven Claim representing accrued but unpaid interest.
- 6.4 **Delivery of Distributions.**
- (a) **Proven Claims:**

Subject to Section 6.2, distributions in respect of Proven Claims shall be made by Industries at (i) the addresses set forth on the Proofs of Claim; or (ii) if no Proof of Claim

has been filed and a Claim Amount Notice was sent to the Affected Creditor, the address at which the Claim Amount Notice was delivered; or (iii) the addresses set forth in any written notice of address change delivered to Industries or the Monitor after the date of any related Proof of Claim.

(b) **Undeliverable Distributions:**

If any distribution in respect of a Proven Claim is returned as undeliverable, no further distributions to the holder of such Proven Claim shall be made unless and until Industries or the Monitor is notified of the current address of the holder of such Proven Claim, at which time all missed distributions shall be made without interest. Undeliverable distributions shall be retained by the Monitor until such distributions are claimed. Industries and the Monitor, shall make reasonable efforts to locate holders of Proven Claims for which distributions were undeliverable. Notwithstanding the foregoing, all claims for undeliverable distributions must be made on or before the date that is 180 days after the Implementation Date, after which date all unclaimed distributions shall revert to the Creditors' Fund.

- 6.5 **Immaterial Distributions.** Other than the initial distribution on the Implementation Date, Industries shall not be required to make any distribution of less than \$10.00 on account of a Proven Claim.
- 6.6 **Withholding Taxes.** Notwithstanding any other provision of this Plan, each Affected Creditor with a Proven Claim that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Taxes or Tax obligations imposed by any Governmental Entity (including income, withholding and other Tax obligations on account of such distribution). Industries is authorized to take any and all actions as may be necessary or appropriate to comply with such withholding and reporting requirements. All amounts withheld on account of Taxes shall be treated for all purposes as having been paid to the Affected Creditor in respect of which such withholding was made, provided such withheld amounts are remitted to the appropriate Governmental Entity.
- 6.7 **Guarantees and Similar Covenants.** No Person who has a Claim under any guarantee, surety, indemnity, solidary or joint and several obligations or otherwise in respect of any Claim that is settled, compromised, released or otherwise dealt with under this Plan or who has any right in respect of, or to be subrogated to, the rights of any Person in respect of a Claim that is compromised under this Plan shall be entitled to any greater rights than the Affected Creditor whose Claim is settled, compromised, released, or otherwise dealt with under this Plan.
- 6.8 **Creditors' Fund.** Any funds remaining in the Creditors' Fund 270 days following the Implementation Date (or such earlier date as the Monitor may determine), including in relation to any un-negotiated cheques, shall revert to Industries free of any restrictions or claims thereon. The Monitor shall be entitled to authorize partial distributions to Industries from the Creditors' Fund pursuant to this paragraph as it deems appropriate.

**ARTICLE 7  
DISTRIBUTION IN RESPECT OF DISPUTED CLAIMS**

- 7.1 **No Distribution Pending Allowance.** Notwithstanding any other provision of this Plan, no distributions shall be made with respect to a Disputed Claim unless and until it has become a Proven Claim. At all times, Disputed Claims shall be dealt with in accordance with the Claims Procedure Order.
- 7.2 **Disputed Claim Reserve and Distribution Therefrom.** On the Implementation Date, the Monitor shall establish the Disputed Claim Reserve by holding on account of Disputed Claims the

full amount of the Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims. Once a resolution has been reached in respect of a Disputed Claim, the Monitor shall pay that determined amount. Once the Disputed Claims are extinguished or settled, any remaining funds shall be returned to the Creditors' Fund for distribution in accordance with this Plan.

## ARTICLE 8 RELEASES

8.1 **Plan Releases.** The following releases will become effective on the Implementation Date:

(a) **Releases by Industries:**

Subject to the provisions of Section 5.1(2) of the CCAA, Industries will be deemed to forever release, waive and discharge any and all demands, claims, actions, causes of action, counterclaims, suits, rights, obligations, debts, sums of money, accounts, covenants, damages, judgments, expenses, liabilities, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature, including interest thereon and costs, fees or other amounts in respect thereof (collectively, the "**Obligations**") (other than the rights of Industries to enforce this Plan and the contracts, instruments, and other agreements or documents delivered hereunder) whether reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, direct, indirect or derivative, then existing or hereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other circumstance or occurrence existing or taking place on or prior to the Implementation Date in any way relating to, arising out of or in connection with the business and affairs of Industries, the subject matter of, or the transactions or events giving rise to, any Claims or Restructuring Claims, this Plan or the CCAA Proceedings that could be asserted by or on behalf of Industries against: (i) the agents, legal counsel, financial advisors and other professionals of Industries, in each case in their respective capacities as of the Implementation Date; (ii) the Monitor and its legal counsel; and (iii) where applicable, with respect to each of the above named Persons, such Person's present and former advisors, principals, employees, officers, directors, representatives, financial advisors, legal counsel, accountants, investment bankers, consultants, agents, predecessors, affiliates, subsidiaries, related companies, heirs, spouses, dependants, administrators and executors.

(b) **Releases by Others:**

(i) Industries, (ii) the Monitor, and (iii) with respect to each their present and former advisors, principals, employees, officers, directors, representatives, financial advisors, legal counsel, accountants, investment bankers, consultants, agents, predecessors, affiliates, subsidiaries, related companies, heirs, spouses, dependants, administrators and executors (collectively, the "**Released Parties**") will be released and discharged from any and all Obligations, whether reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, direct, indirect or derivative, then existing or hereafter arising, in law, equity or otherwise, that any Person (including Industries, as applicable, and any Person who may claim contribution or indemnification against or from them) may be entitled to assert based in whole or in part on any act, omission, transaction, event or other circumstance or occurrence existing or taking place on or prior to the Implementation Date in any way relating to, arising out of or in connection with the business and affairs of Industries, the subject matter of, or the transactions or events giving rise to, any Affected Claims, any Directors/Officers Claim, this Plan, and the CCAA Proceedings (collectively, the "**Released Claims**"), provided, however, that nothing herein will release or discharge any Released Party if the Released Party is judged on a final determination on the merits to have committed fraud or wilful



misconduct or to have been grossly negligent or the obligations of any Released Party under this Plan or the Sanction Order.

- 8.2 **Permanent Injunction.** From and after the Implementation Date, all Affected Creditors and other Persons shall be permanently and forever barred, estopped, stayed and enjoined with respect to the Released Claims from: (i) commencing, conducting or continuing in any manner, directly or indirectly, any actions, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any actions, suits or demands, including, without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Lien or encumbrance of any kind; or (v) taking any actions to interfere with the implementation or consummation of this Plan.
- 8.3 **Waiver of Defaults.** On and after the Implementation Date, all Persons shall be deemed to have waived any and all defaults of Industries then existing or previously committed by Industries or caused by Industries, directly or indirectly, or non-compliance with any covenant, positive or negative, pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, purchase order, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and Industries arising from the filing by Industries under the CCAA or the transactions contemplated by this Plan, and any and all notices of default and demands for payment under any instrument, including any guarantee arising from such default, shall be deemed to have been rescinded.
- 8.4 **Cancellation of Liens.** As of the Implementation Date, in consideration for the distributions to be made pursuant to this Plan, all Liens and rights related to any Affected Claim shall be terminated, null and void and be of no effect.

## ARTICLE 9 MISCELLANEOUS

- 9.1 **Paramountcy.** From and after the Plan Implementation Date, any conflict between the covenants, warranties, representations, terms, conditions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, articles of Industries, lease or other agreement, whether written or oral, and any and all amendments or supplements thereto existing between any third party and Industries as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan, which shall take precedence and priority.
- 9.2 **Meeting of Creditors.** On or following the Plan Date, Industries will seek the Meeting Order.
- 9.3 **Confirmation of Plan.** In the event that the Plan is approved by the Required Majority, Industries will then seek the Sanction Order. Subject to the Sanction Order being granted, the Plan will be implemented by Industries and will be binding upon all Affected Creditors.
- 9.4 **Compromise Effective for all Purposes.** The compromise or other satisfaction of any indebtedness, liability or obligation of Industries under the Plan, if sanctioned and approved by the Court, shall, in the case of any Affected Creditor, be binding upon such Affected Creditor for all purposes and, to such extent, shall also be effective to relieve any third party directly or

indirectly liable for such indebtedness, whether as guarantor, indemnitor, tenant, direct or joint covenantor or otherwise.

9.5 **Non-Terminated Contracts.** Except as otherwise provided in this Plan, as of the Implementation Date, the Non-Terminated Contracts shall be deemed ratified.

9.6 **Conditions Precedent to Implementation of the Plan.** The implementation of this Plan is subject to the following conditions precedent, which may be waived in writing as provided herein:

- (a) the approval of this Plan by the Required Majority of creditors shall have been obtained;
- (b) the Sanction Order sanctioning this Plan, in form and substance satisfactory to Industries and the Monitor, shall have been made and entered and the operation and effect of the Sanction Order shall not have been stayed, revised, modified, reversed or amended;
- (c) all applicable appeal periods in respect of the Sanction Order shall have expired and any appeals therefrom shall have been finally disposed of by the applicable appellate tribunal;
- (d) all relevant Persons shall have executed, delivered and filed all documents and other instruments that, in the opinion of Industries or the Monitor, each acting reasonably, are necessary to implement the provisions of this Plan and/or the Sanction Order; and
- (e) no effective injunction, writ or preliminary restraining order or any order of any nature being issued by a competent authority prohibiting this Plan from being consummated as provided herein.

9.7 **Waiver of Conditions.** Each of the conditions set forth in Section 9.6 above may be waived in whole or in part by Industries without any other notice to parties in interest or the Court and without a hearing. The failure to satisfy or waive any condition prior to the Implementation Date may be asserted by Industries regardless of the circumstances giving rise to the failure of such condition to be satisfied (including any action or inaction by Industries). The failure of Industries to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right that may be asserted at any time.

9.8 **Monitor's Certificate of Completion.** The Monitor shall file with the Court the following certificates of completion:

- (a) upon the satisfaction or waiver of the conditions precedent set out herein, the Monitor shall file with the Court a certificate that states that all conditions precedent set out in this Plan have been satisfied (or, where applicable, waived); and
- (b) upon the resolution of the last Disputed Claim, the Monitor shall file with the Court a certificate confirming same.

9.9 **Notices.** Any notices or communication to be made or given hereunder to Industries or the Monitor shall be in writing and shall refer to this Plan and may, subject as hereinafter provided, be made or given by fax or e-mail addressed to the respective parties as follows:

- (a) if to Industries:

Arthon Industries Limited  
Attention: Darren Bidulka  
Fax: 250.868.6599  
E-mail: darren@arthon.com

- (b) with a copy to Davis LLP:

Attention: Mary I. A. Buttery / H. Lance Williams  
Fax: 604.605.4877  
E-mail: mbuttery@davis.ca / lwilliams@davis.ca

- (c) if to the Monitor:

Alvarez & Marsal Canada Inc.  
Attention: Peter Gibson  
Fax: 604.638.7441  
E-mail: pgibson@alvarezandmarsal.com

- (d) with a copy to Blake, Cassels and Graydon LLP:

Attention: Peter Rubin  
Fax: 604.631.3309  
E-mail: peter.rubin@blakes.com

or to such other fax or e-mail as any party may from time to time notify the others in accordance herewith. All such notices and communications shall be deemed to have been received, in the case of notice by fax or e-mail prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day. The unintentional failure by Industries or the Monitor to give any notice contemplated hereunder to any particular Affected Creditor shall not invalidate this Plan or any action taken by any Person pursuant to this Plan.

Any notices or communications to be made or given hereunder by Industries or the Monitor to an Affected Creditor may be sent by fax, e-mail, ordinary mail, registered mail or courier. An Affected Creditor shall be deemed to have received any document sent pursuant to this Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier, e-mail or fax transmission. Documents shall not be sent by ordinary or registered mail during a postal strike or work stoppage of general application.

Notices or communications may be mailed to an Affected Creditor as follows: (i) the addresses set forth on the Proofs of Claim; or (ii) if no Proof of Claim has been filed and a Claim Amount Notice was sent to the Affected Creditor, the address at which the Claim Amount Notice was delivered; or (iii) the addresses set forth in any written notice of address change delivered to Industries or the Monitor after the date of any related Proof of Claim.

- 9.10 **Severability.** If, prior to the Implementation Date, any term or provision of this Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of Industries or the Monitor, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.
- 9.11 **Non-consummation.** If the Sanction Order is not pronounced, (i) this Plan shall be null and void in all respects, (ii) any settlement, compromise or release embodied in this Plan, assumption or termination, repudiation of executory contracts or leases effected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void, and (iii) nothing contained in this Plan, and no act taken in preparation for consummation of this Plan, shall:

- (a) constitute or be deemed to constitute a waiver or release of any Affected Claims by or against Industries or any other Person;
- (b) prejudice in any manner the rights of Industries or any Person in any further proceedings involving Industries; or
- (c) constitute an admission of any sort by Industries or any other Person.

9.12 **Governing Law.** This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.13 **Successors and Assigns.** This Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal representatives, successors (including by merger, amalgamation, consolidation, conversion or reorganization or following any winding-up, liquidation or dissolution) and permitted assigns of any Person named or referred to in this Plan.

## SCHEDULE "C"

NO. S-138873  
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 ARTHON INDUSTRIES LIMITED, ARTHON CONTRACTORS INC.,  
ARTHON EQUIPMENT LTD., COALMONT ENERGY CORP.,  
ROBEKA PROJECTS INC. and 0755049 B.C. LTD.

PETITIONERS

### MONITOR'S CERTIFICATE

#### (Plan Termination)

Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Amended Plan of Compromise and Arrangement concerning, affecting and involving Arthon Industries Limited ("**Industries**") dated November 25, 2014 and amended December 15, 2014 (the "**Plan**") and the Meeting Order.

Pursuant to an Order of the Honourable Justice Sewell of this Honourable Court dated November 29, 2013, Alvarez & Marsal Canada Inc. was appointed the monitor (the "**Monitor**") of, *inter alios*, Industries.

Pursuant to paragraph 25 of the Order of the Court made in these proceedings on \_\_\_\_\_ (the "**Order**"), the Monitor hereby certifies that all of the Monitor's duties in respect of Industries pursuant to the CCAA, the Plan and all Orders of this Court have been completed.

DATED at the City of Vancouver, in the Province of British Columbia, this \_\_\_\_ day of \_\_\_\_\_.

**ALVAREZ & MARSAL CANADA INC.**  
in its capacity as Monitor of Arthon Industries  
Limited and not in its personal or corporate capacity

Per:

\_\_\_\_\_  
Tom Powell  
Director