

COURT FILE/
ESTATE NUMBER

B301-004437
25-3004437

Clerk Stamp:

COURT

COURT OF KING'S BENCH OF
ALBERTA

JUDICIAL CENTRE

CALGARY

PROCEEDING

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, RSC 1985, c B-3, as amended

AND IN THE MATTER OF THE PROPOSAL OF IVRNET INC.

DOCUMENT

APPLICATION (Approval of Proposal)

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Burnet, Duckworth & Palmer LLP

2400, 525 - 8 Avenue SW

Calgary, Alberta T2P 1G1

Lawyer: David LeGeyt / Ryan Algar

Phone Number: (403) 260-0210 / 0126

Fax Number: (403) 260-0332

Email address: dlegeyt@bdplaw.com / ralgar@bdplaw.com

File no.: 64793-6

NOTICE TO RESPONDENT: See Service List attached as Schedule "A" to this Application

This application is made against you. You are a Respondent.

You have the right to state your side of the matter before a master/judge.

The application will be heard as shown below:

DATE:

November 24, 2023

TIME:

3:00 PM

WHERE:

Calgary Courts Centre – Via Webex

BEFORE WHOM:

The Honourable Justice B.B. Johnston

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as the proposal trustee (A&M in such capacity, the "**Proposal Trustee**") of Ivlnet Inc. ("**Ivlnet**" or the "**Company**") respectfully seeks an Order substantially in the form attached as **Schedule "A"** (a "**Proposal Approval Order**"):
 - (a) If necessary, declaring that the time for service of this Application and supporting materials is valid, that the time therefore be abridged to the time actually given, that this Application is properly returnable today, and that further service of the Application is dispensed with;
 - (b) Pursuant to sections 58 and 59 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**"), approving and sanctioning the proposal dated October 30, 2023 (the "**Proposal**") made by Ivlnet to its creditors;
 - (c) approving the actions of the Proposal Trustee, the professional fees and disbursements of the Proposal Trustee and its legal counsel all as further set forth in the First Report of the Proposal Trustee dated November 14, 2023 and the appendices thereto (the "**First Report**") and discharging and releasing the Proposal Trustee upon the completion of the implementation of the Proposal; and
 - (d) such further and other relief as may be sought by the Proposal Trustee and this Honourable Court may deem appropriate.

Grounds for making this Application:

Procedural Background

2. On October 30, 2023 Ivlnet filed a Division I Proposal pursuant to the *BIA* and A&M was appointed as its Proposal Trustee.
3. On October 31, 2023 the Proposal Trustee provided Ivlnet's known creditors with notice of a Meeting of Creditors to be held on November 10, 2023 and included:
 - (a) a condensed statement of the assets and liabilities of Ivlnet;

- (b) a list of creditors affected by the Proposal who held claims in excess of \$250;
 - (c) a copy of the Proposal;
 - (d) the Proposal Trustee's report on the Proposal; and
 - (e) a form of proof of claim and proxy and voting letter.
4. On November 10, 2023, a Meeting of Creditors was held and the Proposal was accepted by the required majority of Ivrrnet's creditors.
 5. On October 31, 2023, A&M issued a Notice of Hearing of Application advising Ivrrnet's known creditors that an Application would be heard on November 24, 2023 requesting that the Court grant the Proposal Approval Order.

The Proposal

6. If approved, the Proposal will, among other things:
 - (a) enable the Company to continue its business as a going concern;
 - (b) provide for the redemption or cancellation by the Company of the current common shares (the "**Common Shares**") and all other equity interests of the Company for no consideration;
 - (c) amend and restate the Company's articles of incorporation to create new Common Shares and issue the same in the name of N. Harris Computer Corporation as the sole shareholder of the Company;
 - (d) issue a distribution to the Company's unsecured creditors (the "**Unsecured Creditors**") on a pro-rata basis in satisfaction of their unsecured claims;
 - (e) issue a discounted distribution to the Company's secured creditors (the "**Supporting Creditors**") in full satisfaction of their secured claims, who are prepared to accept such a discount to fund the Proposal; and
 - (f) effect a full, final and irrevocable compromise, release, discharge, cancellation and bar of all Claims.

7. As set forth in greater detail in the First Report, the Proposal Trustee determined that the recovery that the Unsecured Creditors would obtain if the Proposal was accepted and approved would be superior to what they would stand to receive in the context of a bankruptcy (i.e. \$0).
8. The Proposal Trustee respectfully submits that the Proposal is made in good faith, the terms thereof are reasonable under the circumstances, and are calculated to benefit the general body of the Company's creditors, and the Proposal should therefore be approved by this Court.

Approval of Proposal Trustee's Actions, Fees and Disbursements

9. Once the Proposal is implemented, the within proceedings will be complete.
10. The actions of the Proposal Trustee have been fair and reasonable, as are the fees and disbursements of the Proposal Trustee and its legal counsel and as such, it is prudent for the Court to approve them and provide a mechanism to wind down these proceedings without the need for a further Court application once the Proposal is implemented.
11. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

12. All pleadings and proceedings filed in the within action.
13. The First Report of the Proposal Trustee dated November 14, 2023.
14. The proposed form of Order.
15. The inherent jurisdiction of this Honourable Court to control its own process.
16. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

Applicable rules:

17. The *Alberta Rules of Court*, AR 124/2010, as amended.

18. The *Bankruptcy and Insolvency Act General Rules*, CRC, c 368.

Applicable Acts and regulations:

19. The *Bankruptcy and Insolvency Act*, as amended.

20. Such other Rules, Acts and Regulations as counsel may advise and that this Honourable Court may permit.

Any irregularity complained of or objection relied on:

21. None.

How the Application is proposed to be heard or considered:

22. Before Justice B.B. Johnston on the Commercial List, via Webex.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this Application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the Application is heard or considered, you must reply by giving reasonable notice of the materials to the Applicant.

SCHEDULE "A"

Draft Order

See Attached

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PROCEEDING

IN THE MATTER OF THE *BANKRUPTCY AND INOLVENCY ACT*,
RSC 1985, c B-3, as amended

AND IN THE MATTER OF THE PROPOSAL OF IVRNET INC.

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ORDER (Approval of Proposal)

ADDRESS FOR
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Burnet, Duckworth & Palmer LLP
2400, 525 8 Ave SW
Calgary, Alberta T2P 1G1
Lawyer: David LeGeyt / Ryan Algar
Phone Number: (403) 260-0210 / 0126
Fax Number: (403) 260-0332
Email Address: dlegeyt@bdplaw.com / ralgar@bdplaw.com
File No.: 64793-6

DATE ON WHICH ORDER WAS PRONOUNCED:

November 23, 2023

NAME OF JUDGE WHO MADE THIS ORDER:

Justice B.B. Johnston

LOCATION OF HEARING:

Calgary Court Centre

UPON THE APPLICATION of Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as the proposal trustee (A&M in such capacity, the "**Proposal Trustee**") of Ivrrnet Inc. ("**Ivrrnet**" or the "**Company**"); **AND UPON** having read the First Report of the Proposal Trustee dated November 14, 2023 (the "**First Report**"); **AND UPON** having read the Affidavit of Service of Anne-Marie Gillis-Tapp, sworn November [•], 2023; **AND UPON** having read the proposal (the "**Proposal**") filed with the Office of the Superintendent in Bankruptcy (the "**OSB**") and considered at a meeting of the Company's creditors on November 10, 2023 (the "**Creditor Meeting**");

AND UPON the Proposal being accepted by the required majority of Ivrrnet's creditors at the Creditor Meeting; **AND UPON** being satisfied that the Proposal is made in good faith, and that its terms are reasonable and calculated to benefit the general body of creditors;

AND UPON hearing counsel for the Proposal Trustee, counsel for Ivrrnet and counsel for any other parties present;

IT IS HEREBY ORDERED THAT:

Service

1. Service of the notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application, and the time for service of this application is abridges to that actually given.

Interpretation

2. All capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Proposal.

Approval of Proposal

3. The Proposal is made in good faith and its terms are fair and reasonable and are calculated to benefit the general body of the Company's creditors (collectively, the "**Creditors**").
4. The Proposal has been agreed to and approved by the required majority of the Creditors as required by the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3 (as amended, the "**BIA**").
5. The Proposal as attached hereto as **Schedule "A"**, is hereby approved and sanctioned, is effective in accordance with its terms and is binding upon and enures to the benefit of the Company, its directors, officers and Creditors, and all other Persons and parties named or referred to in, affected by, or subject to the Proposal, including their respective heirs, executors, administrators, successors and assigns, as provided in the Proposal, and in this Order.
6. Upon distribution by funds by the Proposal Trustee pursuant to the Proposal and upon the Proposal Trustee having issued the Certificate of Full Performance in accordance with section 6.2 of the Proposal, the Proposal is deemed to be fully performed.

7. From and after the date of the Proposal, the Company's Creditors and any person affected by the Proposal shall hereby be deemed to have consented and agreed to all of the provisions of the Proposal.

No Fraudulent Preference or Conveyance

8. Notwithstanding:

- (a) the pendency of these proceedings;
- (b) any proceedings in respect of Ivrrnet under the *BIA*, the *Companies' Creditors Arrangement Act* (Canada) or any analogous law; or
- (c) the provisions of any federal or provincial statute,

none of the transactions contemplated by the Proposal shall be void or voidable at the instance of creditors, or any trustee in bankruptcy, receiver or court officer, nor shall such transactions constitute, nor shall they be deemed to constitute, transfers at undervalue, fraudulent preferences, assignments, fraudulent conveyances or other reviewable transactions under the *BIA* or any other applicable federal or provincial law or conduct meriting an oppression remedy, and all of the transactions occurring under the Proposal shall be binding on any subsequently appointed trustee in bankruptcy of the Company.

Approval of Activities, Fees and Disbursements

9. The Proposal Trustee shall be and is hereby authorized to perform its functions and fulfil its obligations under the Proposal to facilitate the implementation of the Proposal.
10. The professional fees and disbursements of the Proposal Trustee, as set out in the First Report (including the fees and disbursements necessary to conclude these proceedings), are hereby approved without the necessity of a formal passing of its accounts.
11. The professional fees and disbursements of Burnet, Duckworth & Palmer LLP, legal counsel to the Proposal Trustee, as set out in the First Report (including the fees and disbursements necessary to conclude these proceedings), are hereby approved without the necessity of a formal assessment of its accounts.

12. All activities, actions and proposed courses of action of the Proposal Trustee (collectively, the "**Proposal Trustee's Actions**") to date in relation to the discharge of its duties and mandate as Proposal Trustee (collectively, and as further detailed in the First Report, the "**Proposal Trustee's Mandate**") are hereby approved.

13. Upon completion of the Proposal Trustee's Mandate, the Proposal Trustee may file a certificate substantially in the form attached hereto as **Schedule "B"** with the Clerk of the Court certifying that:
 - (a) all of its duties in respect of the Company pursuant to the *BIA* and the Order(s) pronounced in these proceedings have been completed,

then Proposal Trustee shall be discharged from its duties as Proposal Trustee of the Company, provided however that, notwithstanding its discharge herein, the Proposal Trustee shall continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections and stays of proceedings in favour of the Proposal Trustee.

14. It is hereby adjudged and declared that, based upon the evidence that is currently before this Honourable Court in regard to the Proposal Trustee's Actions:
 - (a) the Proposal Trustee has acted honestly and in good faith, and has carried out the Proposal Trustee's Mandate in a commercially reasonable manner;
 - (b) the Proposal Trustee has satisfied all of its duties and obligations pursuant to the Proposal Trustee's Mandate;
 - (c) the Proposal Trustee shall not be liable for any act or omission arising from, relating to or in connection with its discharge of the Proposal Trustee's Mandate, save and except for any liability arising out of fraud, gross negligence or willful misconduct on the part of the Proposal Trustee;
 - (d) the Proposal Trustee has never had and shall not in the future have any liability in regard to any act or omission of the Company, including, without limitation, in relation to the business of the Company, payment of and/or accounting for any taxes (including, without limitation, goods and services tax) on revenues earned or

any indebtedness or obligations whatsoever or howsoever incurred by the Company; and

- (e) no person shall commence an action or proceeding asserting a claim against the Proposal Trustee arising from, relating to or in connection with its discharge of the Proposal Trustee's Mandate without first obtaining an Order of this Honourable Court on notice to the Proposal Trustee granting such person leave to commence such action or proceeding, and any such action or proceeding commenced without such leave being obtained is a nullity.

- 15. Subject to the foregoing, any claims against the Proposal Trustee in connection with the Proposal Trustee's Mandate are hereby stayed, extinguished and forever barred.

Advice, Direction and Further Acts

- 16. The Proposal Trustee and the Company are hereby granted leave to apply to this Court for such further advance and direction or assistance as may be necessary to give effect to the terms of this Order and the Proposal.
- 17. The Proposal Trustee and/or the Company are hereby authorized and directed to take all further actions or steps necessary or appropriate to implement and complete the Proposal, including making all payments and distributions required to be made under the terms of the Proposal, and such steps and actions taken are hereby approved

Service

- 18. Service of this Order shall be deemed good and sufficient by:
 - (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the Approval Application;
 - (iii) any other parties attending or represented at the Approval Application; and
 - (b) posting a copy of this Order on the Proposal Trustee's website at: alvarezandmarsal.com/ivrnet

19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of King's Bench of Alberta

SCHEDULE "A"

Proposal
(See *attached*)

Court File No: _____
Estate No: _____

**ALBERTA
COURT OF KING'S BENCH**

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE PROPOSAL OF
IVRNET INC.**

**PROPOSAL
October 27, 2023**

Ivrnet hereby submits the following proposal under the BIA. Capitalised terms used herein have the meanings ascribed to them in Section 1.1 below.

Recitals

- A. Ivrnet is insolvent. It has been in discussions with its key financial stakeholders and with potential investors and purchasers to explore possible transactions as a means to address its liabilities and continue to operate as a going concern.
- B. As a result of these discussions, Ivrnet and the Supporting Creditors have reached an agreement with the Purchaser regarding a restructuring transaction for Ivrnet to be implemented pursuant to proposal proceedings under the BIA, and Ivrnet and the Purchaser have entered into the Purchase Agreement pursuant to which the Purchaser will acquire Ivrnet.
- C. Pursuant to the applicable Support Agreement, each of the Supporting Creditors has agreed to (i) accept the payment set out therein in full satisfaction of the secured portion of its claim, (ii) to release and discharge their security against Ivrnet and its property upon payment, (iii) vote its remaining unsecured deficiency claim in favour of this Proposal and (iv) waive its entitlement to a distribution under this Proposal.
- D. As a result, Ivrnet makes this Proposal to implement the transactions contemplated by the Purchase Agreement and believes it is in the best interests of its stakeholders to do so.

**ARTICLE 1
DEFINITIONS**

1.1 Definitions

In this Proposal, capitalized terms have the meanings set out below:

- (a) **"ABCA"** means the Alberta *Business Corporations Act*,

- (b) **“Adjusted Proposal Funding Amount”** means the Proposal Funding Amount less the NCA Adjustment;
- (c) **“Amendment”** is defined in Section 7.1;
- (d) **“Articles of Reorganization”** means articles of reorganization of Ivrrnet to amend Ivrrnet’s articles to, among other things: (i) create a new class of shares of Ivrrnet, being the New Common Shares; and (ii) provide for the redemption or cancellation by Ivrrnet of the common shares and all other Equity Interests of Ivrrnet, if any, for no consideration on the Effective Date, the form of which articles will be approved by the Proposal Approval Order;
- (e) **“BIA”** means the *Bankruptcy and Insolvency Act* (Canada);
- (f) **“Business Day”** means a day on which banks are open for business in Calgary, but does not include a Saturday, Sunday or statutory holiday in the Province of Alberta;
- (g) **“Canada Pension Plan”** means the *Canada Pension Plan* (Canada);
- (h) **“Certificate of Amendment”** means the certificate of amendment to be issued under Section 192 of the ABCA in respect of the Articles of Reorganization of Ivrrnet;
- (i) **“Claim”** means “claim” as defined by the BIA;
- (j) **“Convenience Claim”** means an Unsecured Creditor with a Proven Claim not exceeding \$2,200 or an Unsecured Creditor with a Proven Claim exceeding \$2,200 but who advises Ivrrnet and the Proposal Trustee in writing prior to the Creditor Meeting that it will accept payment of \$2,200 in full and final satisfaction of its Proven Claim;
- (k) **“Court”** means the Court of King’s Bench of Alberta;
- (l) **“Court Approval Date”** means the date of the Proposal Approval Order;
- (m) **“Creditor”** means any Person having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or similar officer acting on behalf or in the name of such Person;
- (n) **“Creditor Distribution Pool”** means the Adjusted Proposal Funding Amount less (i) the Superintendent’s Levy; and (ii) the payments to Preferred Creditors, if any, pursuant to Section 2.2(a);
- (o) **“Creditor Meeting”** means the meeting of Unsecured Creditors held to consider and vote on this Proposal;
- (p) **“Crown”** means His Majesty in right of Canada or a province;
- (q) **“Directors”** means any Person who, as at the Effective Date, is a current director or officer of Ivrrnet or who by applicable law is deemed to be or is treated similarly

to a director or officer of Ivrrnet or who currently manages or supervises the management of the business and affairs of Ivrrnet;

- (r) **“Effective Date”** means the date on which the conditions contained in Section 3.1 have been satisfied or such other date as agreed to in writing by Ivrrnet and the Purchaser, with the consent of the Proposal Trustee;
- (s) **“Effective Time”** means the first moment in time (Mountain Standard Time) on the Effective Date;
- (t) **“Employment Insurance Act”** means the *Employment Insurance Act* (Canada);
- (u) **“Encumbrance”** means, with respect to any property of Ivrrnet, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind whatsoever in respect of such property;
- (v) **“Equity Interests”** means any capital share, capital stock, partnership, membership, joint venture or other ownership or equity interest, participation, option, right, warrant, or other securities (whether voting or nonvoting, whether preferred, common or otherwise, and including share appreciation, contingent interest or similar rights) of a Person;
- (w) **“Filing Date”** means October 30, 2023;
- (x) **“Final Proposal Funding Amount”** means the Adjusted Proposal Funding Amount after payment of the amounts in Section 5.2(b) or (c), as applicable;
- (y) **“Governmental Authority”** means any domestic or foreign government, whether federal, provincial, state, territorial, municipal; or supra-national; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation;
- (z) **“Holdback”** is defined in Section 2.2(c);
- (aa) **“Income Tax Act”** means the *Income Tax Act* (Canada);
- (bb) **“Ivrrnet”** means Ivrrnet Inc.;
- (cc) **“Ivrrnet Professionals”** means the Proposal Trustee, the Proposal Trustee’s counsel and Ivrrnet’s counsel;
- (dd) **“NCA Adjustment”** has the meaning given to such term in the Purchase Agreement;
- (ee) **“New Common Shares”** means the new common shares of Ivrrnet contemplated by the Articles of Reorganization and created upon the issuance of the Certificate of Amendment;

- (ff) **“Person”** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;
- (gg) **“Preferred Claim”** means any Unsecured Claim or portion thereof that is required by the BIA to be paid in priority to other Unsecured Claims under a proposal by a debtor, including the Claims of:
 - (i) employees and former employees of Ivrrnet, if any, for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA on the Filing Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court Approval Date, together with, in the case of travelling salespersons, disbursements properly incurred by those salespersons in and about Ivrrnet’s business during the same period;
 - (ii) the trustee or other administrator of a prescribed pension plan in which Ivrrnet participates, if any, for the amounts, if any, required to be paid pursuant to section 60(1.5) of the BIA; and
 - (iii) the Crown for all amounts that were outstanding as of the Filing Date and are of a kind that could be subject to a demand under:
 - (A) subsection 224(1.2) of the *Income Tax Act*;
 - (B) any provisions of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for collection of a contribution, as defined in the *Canada Pension Plan*, or an employee’s premium, or employer’s premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
 - (C) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - (I) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
 - (II) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a “provincial pension plan” as defined in that subsection;

- (hh) **“Preferred Creditor”** means a Creditor with a Preferred Claim;
- (ii) **“Professional Fee Reserve”** means the reasonable and documented unpaid fees and disbursements of the Ivlnet Professionals prior to or after the commencement of the BIA Proceeding, together with the reasonable estimated fees and disbursements of the Ivlnet Professionals for any work that has not yet been billed at the Effective Time or that is required after the Effective Date to complete the transactions contemplated by the Purchase Agreement and Support Agreements, to implement this Proposal, and to fulfill the Proposal Trustee’s duties under the BIA;
- (jj) **“Proof of Claim”** shall mean the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors’ Meeting;
- (kk) **“Proposal”** means this proposal dated October 27, 2023, as may be further amended or supplemented from time to time in accordance with its terms;
- (ll) **“Proposal Approval Order”** means the Order of the Court approving this Proposal and the Articles of Reorganization, in form and content satisfactory to Ivlnet and the Proposal Trustee;
- (mm) **“Proposal Funding Amount”** means the Purchase Price (before the NCA Adjustment) less the sum of (i) Supporting Creditor Payments and (ii) the Professional Fee Reserve, which amount will be paid to the Proposal Trustee at the direction of Ivlnet in accordance with the Purchase Agreement;
- (nn) **“Proposal Funding Increase”** means the amount (if any) required to increase the Adjusted Proposal Funding Amount to \$100,000 in accordance with Section 5.2(c) (if applicable);
- (oo) **“Proposal Funding Reserve”** has the meaning provided in the Purchase Agreement;
- (pp) **“Proposal Trustee”** means Alvarez & Marsal Canada Inc., a licensed insolvency trustee;
- (qq) **“Proposal Trustee’s Website”** means www.alvarezandmarsal.com/ivlnet;
- (rr) **“Proven Claim”** means the amount of the Claim of any Creditor finally determined in accordance with the provisions of the BIA;
- (ss) **“Purchase Agreement”** means the agreement dated October 27, 2023 between Ivlnet and the Purchaser, pursuant to which the Purchaser will acquire Ivlnet in connection with this Proposal;
- (tt) **“Purchased Shares”** means 100 New Common Shares in the capital of Ivlnet;
- (uu) **“Purchase Price”** has the meaning provided in the Purchase Agreement;
- (vv) **“Purchaser”** means N. Harris Computer Corporation;

- (ww) **"RC Morris"** means R.C. Morris & Company S.O. Fund III Holdings Ltd.;
- (xx) **"Secured Claim"** means any Claim to the extent that it is secured by a valid Encumbrance that is duly and properly registered or otherwise perfected in accordance with applicable law in the appropriate jurisdiction as of the Filing Date or thereafter to the extent permitted by the BIA;
- (yy) **"Secured Creditor"** means a Creditor with a Secured Claim;
- (zz) **"Superintendent's Levy"** means the levy payable in respect of amounts distributed by the Proposal Trustee under this Proposal in accordance with section 147 of the BIA;
- (aaa) **"Support Agreements"** means the agreements between Ivrrnet and each of the Supporting Creditors, pursuant to which the Supporting Creditors, among other things, agree to (i) accept the payment set out therein in full satisfaction of the secured portion of their claims, (ii) to release and discharge their security against Ivrrnet upon payment, (iii) vote their remaining unsecured deficiency claim in favour of this Proposal and (iv) waive their entitlement to a distribution under this Proposal;
- (bbb) **"Supporting Creditors"** means the following Secured Creditors:
 - (i) R.C. Morris & Company S.O. Fund Iii Holdings Ltd.;
 - (ii) Parlee McLaws LLP; and
 - (iii) David Snell;
- (ccc) **"Supporting Creditor Payment"** means, in the case of each Supporting Creditor, the amount to be paid to it in full satisfaction of its secured portion of its claim pursuant to the applicable Support Agreement;
- (ddd) **"Unresolved Claim"** is defined in Section 2.2(c);
- (eee) **"Unsecured Claim"** means any Claim other than a Secured Claim; and
- (fff) **"Unsecured Creditor"** means a Creditor with an Unsecured Claim.

1.2 Interpretation Matters

For the purposes of this Proposal:

- (a) any reference in this Proposal to an order, an existing agreement, or an agreement to be made or registration means such order, or agreement or registration as it may have been or may be amended, modified, joined by additional parties or supplemented (in accordance with the terms of the Purchase Agreement, if applicable);
- (b) unless otherwise specified, all references to currency are in Canadian dollars;

- (c) the division of this Proposal into “Articles” and “Sections” and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Proposal, nor are the descriptive headings of “Articles” and “Sections” intended as complete or accurate descriptions of the content thereof;
- (d) the use of words in the singular or plural, or with a particular gender, including a definition, will not limit the scope or exclude the application of any provision of this Proposal to such Person (or Persons) or circumstances as the context otherwise permits;
- (e) the words “includes” and “including” and similar terms of inclusion will not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather will mean “includes but is not limited to” and “including but not limited to”, so that references to included matters will be regarded as illustrative without being either characterizing or exhaustive;
- (f) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Calgary, Alberta and any reference to an event occurring on a Business Day means prior to 5:00 p.m. (Mountain Standard Time) on such Business Day;
- (g) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;
- (h) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation; and
- (i) references to a specified “Article” or “Section” will, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of this Proposal, whereas the terms “this Proposal”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions will be deemed to refer generally to this Proposal and not to any particular article, section or other portion of this Proposal and includes any documents supplemental hereto.
- (j) Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Purchase Agreement.

1.3 **Successor and Assigns**

The Proposal will be binding on and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of the Creditors and any other Person named or referred to in the Proposal.

1.4 **Governing Law and Jurisdiction**

This Proposal will be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of this Proposal and all proceedings taken in connection with the Proposal and its provisions will be subject to the exclusive jurisdiction of the Court.

1.5 **Corporate Approvals**

The execution, delivery, implementation and consummation of all matters contemplated under the Proposal involving corporate action of Ivrrnet, including pursuant to any provision of the ABCA, will be deemed to be authorized and approved under this Proposal and by the Court as part of the Proposal Approval Order in all respects and for all purposes without any requirement of further action by any Person.

ARTICLE 2 **CLASSIFICATION AND TREATMENT OF CLAIMS**

2.1 **Class of Unsecured Creditors**

This Proposal is made to the Unsecured Creditors as a single class.

2.2 **Treatment of Unsecured Claims**

As of the Effective Date, Creditors holding the following Unsecured Claims will be entitled to receive the following treatment in respect of, and in full satisfaction of, their Unsecured Claims:

- (a) Preferred Claims (if any) that are Proven Claims will be paid in full from the Final Proposal Funding Amount by the Proposal Trustee on behalf of Ivrrnet, in priority to all other Unsecured Claims in accordance with the scheme of distribution set forth in the BIA;
- (b) Unsecured Claims (if any) that are Convenience Claims will be paid by the Proposal Trustee on behalf of Ivrrnet from the Creditor Distribution Pool the lesser of (i) \$2,200 and (ii) the amount of their Convenience Claim, in full and final satisfaction of their Claims; and
- (c) Subject to Section 2.5, Unsecured Claims (if any) that are Proven Claims and not Convenience Claims will be paid by the Proposal Trustee, on behalf of Ivrrnet, a *pro rata* share of the amount remaining in the Creditor Distribution Pool after (i) payment of or provision for the Convenience Claims and (ii) any provision or holdback (as determined in the discretion of the Proposal Trustee) (the “**Holdback**”) for any Unsecured Claims in respect of which, in each case, a Proof of Claim was properly filed on a timely basis but which has not been finally determined (each, an “**Unresolved Claim**”).

2.3 **Distributions**

Distributions pursuant to Section 2.2 will be effected as soon as practical following the date on which the NCA Adjustment (if any) has been finally determined and the Final Proposal Funding Amount has been finally determined. To be eligible to receive a distribution under Section 2.2, a

Creditor must have filed a Proof of Claim such that it is actually received by the Proposal Trustee in accordance with the BIA prior to the Effective Date and its Claim must be a Proven Claim. Each and every Creditor that fails to file a Proof of Claim with the Proposal Trustee before 5:00 p.m. on the day prior to the Effective Date will not be eligible to participate in the distributions from the Proposal Funds. Any Unsecured Creditor with an Unsecured Claim greater than \$2,200 who wishes to receive payment as a Convenience Claim shall also have provided written notice of same to the Proposal Trustee before 5:00 p.m. on the day prior to the Effective Date.

When an Unresolved Claim becomes a Proven Claim, the Proposal Trustee on behalf of Ivrrnet shall distribute to the Unsecured Creditor from the Holdback of the amount that it would have been entitled to receive on the initial distribution date had its Claim been a Proven Claim on that date. If there is any amount remaining in the Holdback after all Unresolved Claims have been finally determined, the remaining balance will be returned to Ivrrnet.

2.4 Funding

The Proposal Funding Amount, Proposal Funding Reserve and the Professional Fee Reserve will be paid to the Proposal Trustee on or before the Effective Date in accordance with the terms of the Purchase Agreement. The Proposal Trustee will use the Proposal Funding Amount to make the payments described in Sections 2.2 and 5.2 and pay the Superintendent's Levy and will use the Professional Fee Reserve to make those payments described in Section 5.4.

2.5 Supporting Creditors

This Proposal does not affect the Secured Claims of the Supporting Creditors. The Secured Claims of the Secured Lenders will be addressed pursuant to the terms of the applicable Support Agreement or as otherwise agreed between Ivrrnet and the applicable Supporting Creditors.

Each Supporting Creditor has agreed to waive its entitlement to a distribution in respect of its Unsecured Claim, so the *pro rata* share that Unsecured Creditors are entitled to receive pursuant to Section 2.2(c) will be determined without regard to the Unsecured Claims of the Supporting Creditors.

2.6 Different Capacities

Persons may be affected by this Proposal in more than one capacity. Unless expressly provided herein to the contrary, a Person is entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless its Claims overlap or are otherwise duplicative.

2.7 Set Off

The law of set-off will apply to all Claims.

ARTICLE 3

CONDITIONS PRECEDENT

3.1 Conditions Precedent

The performance of this Proposal by Ivrrnet is conditional upon the fulfillment or satisfaction of the following conditions on or before the Effective Date:

- (a) Ivynet has received a signed copy of the Support Agreement from each of the Supporting Creditors and each agreement remains in effect in accordance with its terms;
- (b) this Proposal has been accepted by the statutory requisite majorities of the Unsecured Creditors;
- (c) the Proposal Approval Order has been issued and has not been appealed, set aside, varied or stayed;
- (d) the Certificate of Amendment has been issued; and
- (e) the Purchase Agreement has closed and the Proposal Funding Amount and the Professional Fee Reserve have been paid to the Proposal Trustee.

ARTICLE 4
RELEASE OF CLAIMS AND SECTIONS 95-101 OF THE BIA

- 4.1 Upon implementation of this Proposal on the Effective Date and subject to Section 4.2, each Director will be released from any and all demands, causes of actions, claims, damages, obligations, liabilities, losses, debts, judgments, liens and other recoveries on account of any potential, contingent or actual statutory liability of whatsoever nature that any Person may be entitled to assert against such Director as at the Filing Date, including any and all claims howsoever related to any obligation of Ivynet where the Director(s) are or may be liable at law in their capacity as Director(s) for the payment of such obligation, whether known or unknown, existing or hereafter arising, based in whole or in part on any act of omission, transaction, dealing or other occurrence existing or taking place prior to the Filing Date or, with respect to any agreements of Ivynet that have been disclaimed, repudiated or terminated after the Filing Date in whole or in part which exist prior to or at the time of such disclaimer, repudiation or termination.
- 4.2 Notwithstanding Section 4.1, nothing in this Proposal will release or discharge any of the Directors from the exceptions set out in section 50(14) of the BIA.
- 4.3 Sections 95 to 101 of the BIA and any provincial statute relating to preferences, settlements, fraudulent conveyances, transfers at undervalue or similar impeachable transactions do not apply to any transactions or other dealings by Ivynet during the period prior to the Filing Date. The release of the Directors contemplated in Section 4.1 includes a release of all claims, actions and remedies available pursuant to sections 95 to 101 of the BIA and any provincial statute relating to preferences, settlements, fraudulent

conveyances, transfers at undervalue or similar impeachable transactions.

ARTICLE 5

PROPOSAL TRUSTEE

- 5.1 Alvarez & Marsal Canada Inc. will be the Proposal Trustee under this Proposal.
- 5.2 Within 5 days of the NCA Adjustment (if any) having been finally determined in accordance with Section 2.4 of the Purchase Agreement, the Proposal Trustee shall make the following payments:
- (a) the amount of the NCA Adjustment shall be paid to the Purchaser; provided however that (i) the obligation of the Proposal Trustee to make such payment to the Purchaser shall be limited to the Proposal Funding Amount paid to the Proposal Trustee by the Purchaser, and (ii) the Proposal Trustee shall have no personal liability for any such repayment;
 - (b) in the event the Adjusted Proposal Funding Amount is greater than \$100,000 after payment under Section 5.2(a), the amount of the Proposal Funding Reserve shall be paid to RC Morris and the Adjusted Proposal Funding Amount shall be deemed to be the Final Proposal Funding Amount; and
 - (c) in the event the Adjusted Proposal Funding Amount is less than \$100,000 after payment under Section 5.2(a):
 - (i) funds in the amount of the Proposal Funding Increase shall be paid from the Proposal Funding Reserve to the Adjusted Proposal Funding Amount, such that the Final Proposal Funding Amount is \$100,000; and
 - (ii) funds in the amount equal to the Proposal Funding Reserve less the Proposal Funding Increase shall be paid to RC Morris.

For greater certainty, all or a portion of the Proposal Funding Reserve will only be used in the event the Adjusted Proposal Funding Amount is less than \$100,000 after payment under Section 5.2(a), in which case the Proposal Trustee will use funds from the Proposal Funding Reserve to increase the Adjusted Proposal Funding Amount to equal the Proposal Funding Reserve. Any funds remaining in the Proposal Funding Reserve following payment under Section 5.2(c)(i) will be paid to RC Morris as outlined in 5.2(c)(ii). The Proposal Trustee shall have no personal liability for the repayment of the Proposal Funding Reserve.

- 5.3 As set out in Section 2.4, the Proposal Funding Amount will be paid to the Proposal Trustee on or before the Effective Date. The Proposal Trustee will make payments from the Proposal Funding Amount or Final Proposal Funding Amount (as applicable), on behalf of Ivrrnet, of all payments and distributions of monies required to be made in accordance with the terms of this Proposal.
- 5.4 The Proposal Trustee will hold the Professional Fee Reserve in trust for the benefit of the Ivrrnet Professionals, and will pay the reasonable fees and disbursements of the Ivrrnet Professionals from the Professional Fee Reserve when invoiced. After the fees and

disbursements for which the Professional Fee Reserve was established have been paid, any residual amount of the Professional Fee Reserve remaining shall be paid by the Proposal Trustee to creditors if the Proposal Trustee reasonably determines that it makes economic sense to make a further distribution, failing which the residual amount shall be paid to Ivrrnet without the requirement for it to effect a further distribution to creditors.

- 5.5 Any payments made by the Proposal Trustee to the Creditors hereunder will be made by the Proposal Trustee net of any levies payable or due under the BIA.
- 5.6 The Proposal Trustee is acting in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee will incur any obligations or liabilities in connection with this Proposal or in respect of the business activities or liabilities of Ivrrnet.
- 5.7 Without limitation to Section 5.6, the Proposal Trustee will have no liability whatsoever for any Claims or other obligations of Ivrrnet arising before, on or after the Filing Date.

ARTICLE 6

FULL PERFORMANCE OF PROPOSAL

- 6.1 All obligations of Ivrrnet under this Proposal will commence as of the Effective Date. This Proposal will be fully performed by Ivrrnet after the following matters have been completed:
 - (a) the Proposal Funds have been paid to the Proposal Trustee; and
 - (b) Ivrrnet has filed the Articles of Reorganization and received the Certificate of Amendment.
- 6.2 When the Proposal has been fully performed, the Proposal Trustee will issue to Ivrrnet, the Purchaser and the Official Receiver the Certificate of Full Performance as provided for in Section 65.3 of the BIA.
- 6.3 During the currency of this Proposal and until the Certificate of Full Performance referred to in Section 6.2 is issued by the Proposal Trustee, Ivrrnet will not amalgamate or otherwise change or reorganize its corporate structure without the approval of the Proposal Trustee and the Purchaser (for greater certainty, other than by way of the Articles of Reorganization).
- 6.4 Subject to approval of this Proposal by the Court in the Proposal Approval Order (including approval of the Articles of Reorganization), Ivrrnet intends to deliver the Purchased Shares to the Purchaser on the Effective Date after the Articles of Reorganization have become effective.

ARTICLE 7

AMENDMENT OF PROPOSAL

- 7.1 At any time and from time to time prior to or at the Creditor Meeting, Ivrrnet may vary, amend, restate, modify or supplement this Proposal (in each case, an “**Amendment**”)

with the consent of the Proposal Trustee and the Purchaser. If any such Amendment is made:

- (a) Ivrnet or the Proposal Trustee will communicate the details of the Amendment to Creditors and other Persons present at the Creditor Meeting prior to any vote being taken at the Creditor Meeting;
- (b) Ivrnet will provide notice to the service list of the Amendment and file a copy thereof with the Court without delay and in any event prior to the hearing in respect of the Proposal Approval Order; and
- (c) the Proposal Trustee will post an electronic copy of the Amendment on the Proposal Trustee's Website without delay and in any event prior to the hearing in respect of the Proposal Approval Order.

7.2 At any time and from time to time after the Creditor Meeting, Ivrnet may make an Amendment with the consent of the Proposal Trustee, the Purchaser and approval of the Court. If any such Amendment is made:

- (a) Ivrnet will provide notice to the service list of the Amendment and file a copy thereof with the Court without delay; and
- (b) the Proposal Trustee will post an electronic copy of the Amendment on the Proposal Trustee's Website without delay.

7.3 Without limitation to Section 7.2, at any time and from time to time after the Creditor Meeting, Ivrnet may vary, amend, restate, modify or supplement this Proposal with the consent of the Proposal Trustee and the Purchaser and without Court approval, provided that such Amendment concerns a matter that is of an administrative nature and is required to better give effect to the implementation of this Proposal and is not adverse to the financial interests of the Creditors. If any such Amendment is made:

- (a) Ivrnet will provide notice to the service list of the Amendment and file a copy thereof with the Court without delay; and
- (b) the Proposal Trustee will post an electronic copy of the Amendment on the Proposal Trustee's Website without delay.

Dated this 27th day of October, 2023.

IVRNET INC.

DocuSigned by:

Andrew Watts

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Andrew Watts
Chief Executive Officer

SCHEDULE "B"

Form of Proposal Trustee's Certificate
(See *attached*)

COURT FILE/
ESTATE NUMBER

B301-004437
25-3004437

Clerk Stamp:

COURT

COURT OF KING'S BENCH OF
ALBERTA

JUDICIAL CENTRE

CALGARY

PROCEEDING

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, RSC 1985, c B-3, as amended

AND IN THE MATTER OF THE PROPOSAL OF IVRNET INC.

DOCUMENT

PROPOSAL TRUSTEE'S CERTIFICATE

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

Burnet, Duckworth & Palmer LLP

2400, 525 – 8 Avenue SW

Calgary, Alberta T2P 1G1

Lawyer:

David LeGeyt / Ryan Algar

Phone Number:

(403) 260-0210 / (403) 260-0126

Fax Number:

(403) 260-0332

Email Address:

dlegeyt@bdplaw.com / ralgar@bdplaw.com

File No.

64793-6

- A. This Certificate is the Proposal Trustee's Certificate referred to in paragraph 13 of the Order of the Honourable Justice B.B. Johnston dated November 24, 2023 (the "**Proposal Approval Order**") and granted in these proceedings.
- B. Capitalized terms not otherwise defined herein shall have the meaning given to them in the First Report of the Proposal Trustee dated November 14, 2023 (the "**First Report**").
- C. On October 30, 2023 (the "**Filing Date**"), Ivrrnet Inc. ("**Ivrrnet**" or the "**Company**"), prepared and filed its proposal to creditors (the "**Proposal**") with the Office of the Superintendent of Bankruptcy pursuant to section 50 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, (as amended, the "**BIA**"). Alvarez & Marsal Canada Inc. ("**A&M**") consented to act as Trustee under the Proposal (A&M in such capacity the "**Proposal Trustee**").
- D. Pursuant to the Proposal Approval Order, the Proposal Trustee was discharged effective upon filing a certificate with the Clerk of the Court confirming that all of the Proposal Trustee's duties in respect of the Company pursuant to the *BIA* and the Order(s) pronounced in these proceedings have been completed, provided however, notwithstanding its discharge, the

Proposal Trustee shall continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections and stays of proceedings in favour of the Proposal Trustee.

THE PROPOSAL TRUSTEE HEREBY CERTIFIES the following:

1. All of the Proposal Trustee's duties in respect of the Company pursuant to the *B/A* and the Order(s) pronounced in these proceedings have been completed.

**ALVAREZ & MARSAL CANADA INC.,
IN ITS CAPACITY AS THE PROPOSAL
TRUSTEE OF IVRNET INC. AND NOT IN
ITS PERSONAL OR CORPORATE
CAPACITY**

**Name: Cassie Riglin
Title: Senior Vice President**