

No. S1913050
Vancouver Registry

In the Supreme Court of British Columbia

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, SBC 2002,
Chapter 57

AND

IN THE MATTER OF NOVELION THERAPEUTICS INC.

PETITIONER

ORDER MADE AFTER APPLICATION



BEFORE

)
)
)

THE HONOURABLE JUSTICE

16/Dec/2020

BRUNDRETT

THE APPLICATION of Alvarez & Marsal Canada Inc., as court-appointed liquidator of the Petitioner (the "**Liquidator**"), coming on for hearing at Vancouver, British Columbia on December 16, 2020; AND ON HEARING Scott M. Boucher, counsel for the Liquidator, and those other counsel listed in Schedule "A" hereto; AND UPON READING the material filed including the First Report of the Liquidator dated December 9, 2020 (the "**First Report**"); AND pursuant to the *Business Corporations Act*, S.B.C. 2002 c. 57 (the "**BCBCA**"), the *Supreme Court Civil Rules* and the inherent jurisdiction of this Honourable Court:

THIS COURT ORDERS AND DECLARES that:

SERVICE

1. The time for service of the Notice of Application and supporting materials is hereby abridged such that the Notice of Application is properly returnable today and hereby dispenses with further service thereof.

INTERIM DISTRIBUTIONS

2. The Liquidator is hereby authorized to forthwith cause the Petitioner to distribute the Interim Distribution ADRs (as defined in the First Report) to the holders of common shares in the capital of the Petitioner shown in the registers maintained by or on behalf of the Petitioner as of January 16, 2020 (each a "**Registered Holder**") based upon a

ratio of one (1) Interim Distribution ADR for each nine (9) common shares held (the "**Interim Distribution**"), subject to paragraphs 3 and 4 below. For this purpose, any authorized representative of Alvarez & Marsal Canada Inc. is hereby authorized to execute and deliver, on behalf of the Petitioner, any documentation in connection with the sale, assignment, transfer and/or delivery of stock, bonds or other securities on behalf of the Petitioner, and any authorized representative of Alvarez & Marsal Canada Inc. is hereby authorized to delegate (by power of attorney or otherwise) the foregoing authority on behalf of the Petitioner to any individual, whether or not such individual is an officer or employee of Alvarez & Marsal Canada Inc. Further, the Liquidator is authorized to distribute any notices deemed appropriate by the Liquidator to the Registered Holders in connection with the Interim Distribution.

- 3 The Interim Distribution will not include any portions or fractions of Interim Distribution ADRs, or cash in lieu thereof, and Novellion shall retain the aggregate of all Interim Distribution ADRs attributable to such portions or fractions not distributed on the Interim Distribution (collectively, the "**Withheld Distributions**").
- 4 Any Registered Holder who would otherwise be entitled to receive any of the Withheld Distributions, if such distribution was permitted by this Order, shall receive at a future distribution date, in addition to any other distributions to be made at that time, cash in an amount equal to the Market Value (as defined in the First Report) of the Withheld Distributions such holder would have been entitled to receive on the date of the Interim Distribution.
- 5 The Interim Distribution shall be distributed as a reduction of stated capital to the extent of the 'paid-up' capital of the common shares of the Petitioner for the purposes of the *Income Tax Act* (Canada) as contemplated in section 7.3 of the Plan of Liquidation and Distribution of the Petitioner, dated November 14, 2019 (the "**Liquidation Plan**").
6. The Liquidator shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order and the Interim Distribution, save and except for any gross negligence or wilful misconduct on its part.
7. The distributions, payments and disbursements delivered hereunder and pursuant to the Liquidation Plan are not delivered by the Liquidator in its personal or corporate capacity and shall be without personal or corporate liability of the Liquidator, and, without limiting

the foregoing, the Liquidator shall have no, and is released from any, obligation or liability in connection with any taxes owing by the Petitioner, or any withholdings or deductions that any person may assert should or should not have been paid or made in connection with such distributions, disbursements or payments.

- 8 All persons, including transfer agents, custodians and depositary banks, required to make any distributions, deliveries or allocations or take any steps or actions related thereto to complete the Interim Distribution are hereby authorized and directed to complete such distributions, deliveries, allocations, steps or actions, as the case may be, and such distributions, deliveries, allocations, steps and actions are hereby approved.

RECORDS DESTRUCTION


9. The Records Destruction Protocol (as defined in the First Report) is hereby approved and the Liquidator is hereby authorized to take all steps necessary to implement the Records Destruction Protocol.


GENERAL

10. The First Report of the Liquidator is hereby approved and the activities and conduct of the Liquidator as described therein are also hereby approved and ratified in all respects.
- 11 The Liquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
- 12 This Court requests the aid and recognition of other Canadian and foreign Courts, tribunals, 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 Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioner and to the Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Liquidator in any foreign proceeding, or to assist the Petitioner and the Liquidator and their respective agents in carrying out the terms of this Order.

13. The Liquidator be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.
14. Endorsement of this Order by counsel appearing on this application other than counsel for the Liquidator is hereby dispensed with.

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:


 Signature of lawyer for the Petitioner
 Scott M. Boucher

By the Court. 

Registrar

Certified a true copy according to
 the records of the Supreme Court
 at Vancouver, B.C.

DATED: DEC 16 2020


 Authorized Signing Officer

CHRIS GILMOUR
 Deputy District Registrar



Schedule "A"

LIST OF COUNSEL
