

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

IN THE MATTER OF THE: *Companies' Creditors Arrangement Act*,
R.S.C. 1985, c. C-36, as Amended

AND IN THE MATTER OF: Certain proceedings taken in the United
States Bankruptcy Court for the District of
Delaware with respect to IMRIS Inc.,
IMRIS, Inc. and NeuroArm Surgical Ltd.,
(Collectively, the "Chapter 11 Debtors")

Application of IMRIS, Inc. ("Applicant") under section 46 of the *Companies' Creditors
Arrangement Act*, R.S.C. 1985, c. C-36, as Amended

**REPLACEMENT ORDER
(FOREIGN MAIN PROCEEDING)**

**Date of Hearing: Thursday, June 11, 2015 at 2:00 p.m.
Before: The Honourable Justice Dewar**

DLA PIPER (CANADA) LLP
1 First Canadian Place, Suite 6000
P.O. Box 367, 100 King Street West
Toronto, ON M5X 1E2

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**THE QUEEN'S BENCH
WINNIPEG CENTRE**

THE HONOURABLE MR.) THURSDAY, THE 11TH DAY
) OF JUNE, 2015
JUSTICE DEWAR)

IN THE MATTER OF THE: *Companies' Creditors Arrangement Act*,
R.S.C. 1985, c. C-36, as Amended

AND IN THE MATTER OF: Certain proceedings taken in the United
States Bankruptcy Court for the District of
Delaware with respect to IMRIS Inc.,
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(Collectively, the "Chapter 11 Debtors")

Application of IMRIS, Inc. ("Applicant") under section 46 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as Amended

**REPLACEMENT ORDER
(FOREIGN MAIN PROCEEDING)**

THIS MOTION, made by IMRIS, Inc. ("**IMRIS US**" or "**Applicant**") in its capacity as the foreign representative (the "**Foreign Representative**") of the Chapter 11 Debtors, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form attached to the Notice of Motion, was heard this day at 408 York Avenue at Kennedy Street, in the City of Winnipeg, Manitoba.

ON READING the Notice of Motion dated June 11, 2015, including the affidavit of Craig Martin, sworn June 10, 2015, and the preliminary report of Alvarez & Marsal Canada Inc. (“**A&M Canada**”), in its capacity as proposed replacement information officer (the “**Replacement Information Officer**”) dated June 10, 2015, each filed,

AND UPON HEARING the submissions of counsel for the Replacement Information Officer, with counsel for the Applicant, counsel to Deerfield Situations Fund L.P. as administrative agent and collateral agent to the lenders under the Senior Secured Super Priority Debtor-in-Possession Credit Agreement (the “**DIP Facility**”) dated May 26, 2015 (the “**DIP Lenders**”) appearing by teleconference, no one else appearing although duly served, upon reading the affidavit of service of Nadine Hill, sworn June 10, 2015, and on reading the consent of FTI Consulting Canada Inc., in its capacity as information officer (“**FTI Canada**” or “**Information Officer**”), to be removed as the information officer and the consent of A&M Canada to act as the information officer in place of FTI Canada:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the materials filed in support of the Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINED TERMS

2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Initial Recognition Order (Foreign Main Proceeding) dated June 3, 2015 (the "**Recognition Order**").

DISCHARGE OF FTI CONSULTING CANADA AS INFORMATION OFFICER

3. **THIS COURT ORDERS** that FTI Canada shall be discharged from its duties as Information Officer over the Chapter 11 Debtors in these proceedings and shall hereafter have no further liabilities, obligations, responsibilities or duties in respect of the Chapter 11 Debtors.

4. **THIS COURT ORDERS** that no action or other proceeding in any way arising from or related to the performance or intended performance of the Information Officer's mandate or any activity in these proceedings shall be commenced against any of the Information Officer and its respective affiliates, and their respective officers, directors, employees and agents, attorneys and solicitors for the Information Officer (collectively the "**Information Officer Parties**") except with leave of this Court and on prior written notice to the Information Officer Parties.

5. **THIS COURT ORDERS** that the Information Officer and its counsel may apply to this Court for the approval of its fees and disbursements incurred in this application up to and including the date of this Order.

6. **THIS COURT ORDERS** that if FTI Canada and its counsel are entitled to any fees and disbursements in this application up to and including the date of this Order, FTI

Canada and its counsel shall be entitled to the benefit of the Administration Charge as set out in the Amended and Restated Supplemental Order.

7. **THIS COURT ORDERS** that FTI Canada will be entitled to all the benefits and protections afforded to the Information Officer, as defined in the Amended and Restated Supplemental Order, including paragraphs 11, 14, and 16, for its activities up to and including the date of this Order.

**APPOINTMENT OF ALVAREZ & MARSAL CANADA INC. AS
REPLACEMENT INFORMATION OFFICER**

8. **THIS COURT ORDERS** that A&M Canada is hereby appointed as an officer of this Court, with the same powers and duties of the Information Officer, as set out in the Supplemental Order (Foreign Main Proceeding) dated June 3, 2015 (the “**Supplemental Order**”).

9. **THIS COURT ORDERS** that the preliminary report of FTI Canada, in its capacity as proposed information officer dated June 1, 2015 is adopted by A&M Canada, as set out in the preliminary report of A&M Canada, in its capacity as proposed information officer dated June 10, 2015.

10. **THIS COURT ORDERS** that within five (5) business days from the date of this Order, or as soon as practicable thereafter, A&M Canada shall cause to be published a notice containing the information required by section 53(b) of the CCAA, substantially in the form attached as Schedule “A” to the amended and restated Initial Recognition Order attached as Schedule “1” to this Order, once a week for two consecutive weeks, in the Globe and Mail (National Edition) and the Winnipeg Free Press.

AMENDMENT AND RE-STATED INITIAL RECOGNITION ORDER AND SUPPLEMENTAL ORDER

11. **THIS COURT ORDERS** that an amended and re-stated Initial Recognition Order shall issue in the same form attached as Schedule “1” to this Order.

12. **THIS COURT ORDERS** that an amended and re-stated Supplemental Order shall issue in the same form attached as Schedule “2” to this Order.

GENERAL

13. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days’ notice to the Chapter 11 Debtors, the Foreign Representative, the Replacement Information Officer and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

14. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. Central Daylight Time on the date of this Order.

Schedule "1"

Court File No. CI 15-01-95749

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

IN THE MATTER OF THE: *Companies' Creditors Arrangement Act*,
R.S.C. 1985, c. C-36, as Amended

AND IN THE MATTER OF: Certain proceedings taken in the United
States Bankruptcy Court for the District of
Delaware with respect to IMRIS Inc.,
IMRIS, Inc. and NeuroArm Surgical Ltd.,
(Collectively, the "Chapter 11 Debtors")

Application of IMRIS, Inc. ("Applicant") under section 46 of the *Companies' Creditors
Arrangement Act*, R.S.C. 1985, c. C-36, as Amended

AMENDED AND RESTATED INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)

Date of Hearing: Wednesday, June 3, 2015 at 2:00 p.m.
Before: The Honourable Justice Dewar

DLA PIPER (CANADA) LLP
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**THE QUEEN'S BENCH
WINNIPEG CENTRE**

THE HONOURABLE MR.) WEDNESDAY, THE 3RD DAY
) OF JUNE, 2015; AND
JUSTICE DEWAR) THURSDAY, THE 11TH DAY
) OF JUNE, 2015

IN THE MATTER OF THE: *Companies' Creditors Arrangement Act,*
R.S.C. 1985, c. C-36, as Amended

AND IN THE MATTER OF: Certain proceedings taken in the United
States Bankruptcy Court for the District of
Delaware with respect to IMRIS Inc.,
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AMENDED AND RESTATED INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)

THIS APPLICATION, made by IMRIS, Inc. ("**IMRIS US**" or "**Applicant**") in its capacity as the foreign representative (the "**Foreign Representative**") of the Chapter 11 Debtors, pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for two Orders substantially in the forms attached to the Notice of Application, was heard this day at 408 York Avenue at Kennedy Street, in the City of Winnipeg, Manitoba.

ON READING the Notice of Application dated May 29, 2015, including the affidavit of Jay D. Miller sworn May 29, 2015, the affidavit of Bruce Darlington, sworn May 27, 2015, and the preliminary report of FTI Consulting Canada Inc. (“**FTI**”), in its capacity as proposed information officer (~~the “**Information Officer**”~~) dated June 1, 2015, each filed, and counsel for the Applicant undertaking to file an affidavit verifying that the US Court orders attached as schedules A-K to the Notice of Application are true copies of orders which have been certified, and upon being provided with copies of the documents required by section 46 of the CCAA,

AND UPON BEING ADVISED by counsel for the Foreign Representative that in addition to this Initial Recognition Order, a Supplemental Order (Foreign Main Proceeding) is being sought,

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for the FTI, and counsel to Deerfield Situations Fund L.P. as administrative agent and collateral agent to the lenders under the Senior Secured Super Priority Debtor-in Possession Credit Agreement dated May 26, 2015, DIP Lenders, no one else appearing although duly served, upon reading the affidavit of service of Kim Hamill, sworn June 1, 2015 and the affidavits of service of Jennifer A. Whincup sworn May 29, 2015 and June 1, 2015.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the materials filed in support of the Application is hereby abridged and validated so

that this Application is properly returnable today and hereby dispenses with further service thereof.

FOREIGN REPRESENTATIVE

2. **THIS COURT ORDERS AND DECLARES** that the Foreign Representative is the "foreign representative" as defined in section 45 of the CCAA of the Chapter 11 Debtors in respect of the proceedings commenced on May 25, 2015, in the United States Bankruptcy Court for the District of Delaware, by the Chapter 11 Debtors pursuant to Chapter 11 of the United States Bankruptcy Code (the "**Foreign Proceeding**").

CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING

3. **THIS COURT DECLARES** that the centre of its main interests for each of the Chapter 11 Debtors is the United States and that the Foreign Proceeding is hereby recognized as a "foreign main proceeding" as defined in section 45 of the CCAA.

STAY OF PROCEEDINGS

4. **THIS COURT ORDERS** that until otherwise ordered by this Court:

- (a) all proceedings taken or that might be taken against any Chapter 11 Debtor under the *Bankruptcy and Insolvency Act*, R.S.C., 1985 c. B-3 or the *Winding-up and Restructuring Act*, R.S.C. 1985, c. W-11 are stayed;
- (b) further proceedings in any action, suit or proceeding against any Chapter 11 Debtor are restrained; and

- (c) the commencement of any action, suit or proceeding against any Chapter 11 Debtor is prohibited.

NO SALE OF PROPERTY

5. **THIS COURT ORDERS** that, subject to further Order of this Court, each of the Chapter 11 Debtors is prohibited from selling or otherwise disposing of:

- (a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and
- (b) any of its other property in Canada.

SERVICE AND NOTICE

6. **THIS COURT ORDERS** that the Chapter 11 Debtors, the Foreign Representative and Alvarez & Marsal Canada Inc. (“A&M Canada”) are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission (including e-mail) to the Chapter 11 Debtors’ creditors or other interested parties at their respective addresses as last shown on the records of the applicable Chapter 11 Debtor and that any such service or distribution by courier, personal delivery or electronic transmission shall be deemed to be received on the same business day of the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

7. **THIS COURT ORDERS** that any party to these proceedings may serve any court materials in these proceedings (including, without limitation, the Application Record, any motion records, factums and orders) on any person electronically by emailing a PDF or other electronic copy of such materials to parties' email addresses as recorded on the service list ("**Service List**").

8. **THIS COURT ORDERS** that counsel for the Applicant shall prepare and keep a Service List containing the name and contact information (which may include the address, telephone number and facsimile number or e-mail address) for service to: the Applicant; A&M Canada; and each creditor or other interested party who has sent a request, in writing, to counsel for the Applicant to be added to the Service List. The Service List shall indicate whether each person on the Service List has elected to be served by e-mail or facsimile, and failing such election the Service List shall indicate service by e-mail. The Service List shall be posted on the website of the A&M Canada at the following address: <http://www.alvarezandmarsal.com/IMRIS>. For greater certainty, creditors and other interested persons who have received notices in accordance with paragraph 6 of this Order and/or have been served in accordance with paragraph 6 of this Order and who do not send a request, in writing, to counsel for the Applicants to be added to the Service List shall not be required to be further served in these proceedings.

GENERAL

9. **THIS COURT ORDERS** that within five (5) business days from June 11, 2015, or as soon as practicable thereafter, the A&M Canada shall cause to be published a notice containing the information required by section 53(b) of the CCAA, substantially in the

form attached to this Order as Schedule “A”, once a week for two consecutive weeks, in the Globe and Mail (National Edition) and the Winnipeg Free Press.

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, to give effect to this Order and to assist the Chapter 11 Debtors and the Foreign Representative and their respective counsel and agents in carrying out the terms.

11. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days’ notice to the Chapter 11 Debtors and the Foreign Representative and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

**QUEEN'S BENCH
WINNIPEG CENTRE**

IN THE MATTER OF THE: *Companies' Creditors Arrangement Act*,
R.S.C. 1985, c. C-36, as Amended

AND IN THE MATTER OF: Certain proceedings taken in the United
States Bankruptcy Court for the District of
Delaware with respect to IMRIS Inc.,
IMRIS, Inc. and NeuroArm Surgical Ltd.,
(Collectively, the "Chapter 11 Debtors")

Application of IMRIS, Inc. under section 46 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as Amended

NOTICE OF RECOGNITION ORDERS

PLEASE BE ADVISED that this Notice is being published pursuant to an Order of the Manitoba Court of the Queen's Bench (the "**Canadian Court**"), granted on June 3, 2015 and amended and restated on June 11, 2015.

PLEASE TAKE NOTICE that, on May 25, 2015, IMRIS Inc., IMRIS, Inc. and NeuroArm Surgical Ltd., (Collectively, the "**Chapter 11 Debtors**") commenced proceedings pursuant to Chapter 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the District of Delaware (the "US Court"). In connection with the Chapter 11 Proceedings, the Chapter 11 Debtors have appointed IMRIS, Inc. as their foreign representative (the "**Foreign Representative**"). The Foreign Representative's address is 5101 Shady Oak Road, Minnetonka, Minnesota, 55343. IMRIS, Inc. and NeuroArm Surgical Ltd. are wholly owned subsidiaries of IMRIS Inc. Both IMRIS Inc. and NeuroArm Surgical Ltd. are federally incorporated Canadian companies with their registered offices in Winnipeg, Manitoba.

PLEASE TAKE FURTHER NOTICE that an Initial Recognition Order and a Supplemental Order (together, the "**Recognition Orders**") have been issued by the Canadian Court pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, that, among other things: (i) recognize the Chapter 11 Proceedings as a "foreign main proceeding"; (ii) recognize IMRIS, Inc. as the Foreign Representative of the Chapter 11 Debtors; and (iii) appoint Alvarez & Marsal Canada Inc. as the Information Officer with respect to the Chapter 11 Proceedings.

PLEASE TAKE FURTHER NOTICE that counsel to the Foreign Representative is:

DLA PIPER (CANADA) LLP
1 First Canadian Place, Suite 6000
P.O. Box 367, 100 King Street West
Toronto, ON M5X 1E2
Tel: 416-365-3529
Fax: 416-369-5210
bruce.darlington@dlapiper.com

PLEASE TAKE FURTHER NOTICE that persons who wish to receive a copy of the Recognition Orders or obtain any further information in respect thereof or in respect of the matters set forth in this Notice, should contact the Information Officer at the following address:

ALVAREZ & MARSAL CANADA INC.
Bow Valley Square I
Suite 570, 202 - 6th Avenue SW
Calgary, AB T2P 2R9
Tel: 14035384756
treid@alvarezandmarsal.com

PLEASE FINALLY NOTE that the Recognition Orders, and any other orders that may be granted by the Canadian Court, can be viewed at:
<http://www.alvarezandmarsal.com/IMRIS>

DATED AT TORONTO, ONTARIO this ♦ day of June, 2015.

ALVAREZ & MARSAL CANADA INC.
(solely in its capacity as Information Officer)

Schedule "2"

Court File No. CI 15-01-95749

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

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**AMENDED AND RESTATED SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)**

**Date of Hearing: Wednesday, June 3, 2015 at 2:00 p.m.
Before: The Honourable Justice Dewar**

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THE HONOURABLE MR.) WEDNESDAY, THE 3RD DAY
) OF JUNE, 2015; AND
JUSTICE DEWAR) THURSDAY, THE 11TH DAY
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IN THE MATTER OF THE: *Companies' Creditors Arrangement Act*,
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AMENDED AND RESTATED SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)

THIS APPLICATION, made by IMRIS, Inc. ("**IMRIS US**" or "**Applicant**") in its capacity as the foreign representative (the "**Foreign Representative**") of the Chapter 11 Debtors, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for two Orders substantially in the forms attached to the Notice of Application, was heard this day at 408 York Avenue at Kennedy Street, in the City of Winnipeg, Manitoba.

ON READING the Notice of Application dated May 29, 2015, including the affidavit of Jay D. Miller sworn May 29, 2015, the affidavit of Bruce Darlington, sworn May 27, 2015, and the preliminary report of FTI Consulting Canada Inc. (“**FTI**”), in its capacity as proposed information officer (~~the “**Information Officer**”~~) dated June 1, 2015, each filed, and counsel for the Applicant undertaking to file an affidavit verifying that the US Court orders attached as schedules A-K to the Notice of Application are true copies of orders which have been certified, and upon being provided with copies of the documents required by section 46 of the CCAA,

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for FTI, and counsel to Deerfield Situations Fund L.P. as administrative agent and collateral agent to the lenders under the Senior Secured Super Priority Debtor-in-Possession Credit Agreement (the “**DIP Facility**”) dated May 26, 2015 (the “**DIP Lenders**”), no one else appearing although duly served, upon reading the affidavit of service of Kim Hamill, sworn June 1, 2015 and the affidavits of service of Jennifer A. Whincup sworn May 29, 2015 and June 1, 2015:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the materials filed in support of the Application is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

INITIAL RECOGNITION ORDER

2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Initial Recognition Order (Foreign Main Proceeding) dated June 3, 2015 (the "**Recognition Order**").

3. **THIS COURT ORDERS** that the provisions of this Supplemental Order shall be interpreted in a manner complementary and supplementary to the provisions of the Recognition Order, provided that in the event of a conflict between the provisions of this Supplemental Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS

4. **THIS COURT ORDERS** that the following orders (collectively, the "**Foreign Orders**") of the United States Bankruptcy Court for the District of Delaware made in the Chapter 11 Proceeding are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to Section 49 of the CCAA:

- (a) Joint Administration Order, attached as Schedule "A" to this Order;
- (b) Foreign Representative Order, attached as Schedule "B" to this Order;
- (c) Claims Agent Order, attached as Schedule "C" to this Order;
- (d) Pre-petition Wages Order, attached as Schedule "D" to this Order;
- (e) Prepetition Shipping Order, attached as Schedule "E" to this Order;
- (f) Customer Obligation Order, attached as Schedule "F" to this Order;
- (g) Post-Petition Operations Order, attached as Schedule "G" to this Order;

- (h) Insurance Order, attached as Schedule “H” to this Order;
- (i) Interim Prepetition Taxes Order, attached as Schedule “I” to this Order;
- (j) Interim Cash Management Order, attached as Schedule “J” to this Order;
- and
- (k) Interim DIP Facility Order, attached as Schedule “K” to this Order.;

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property (as defined below) in Canada.

APPOINTMENT OF INFORMATION OFFICER

5. **THIS COURT ORDERS** that Alvarez & Marsal Canada Inc. (the “**Information Officer**”) is hereby appointed as an officer of this Court, with the powers and duties set out herein.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

6. **THIS COURT ORDERS** that until such date as this Court may order (the "**Stay Period**") no proceeding or enforcement process in any court or tribunal in Canada (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Chapter 11 Debtors or affecting their business (the "**Business**") or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), except with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Chapter 11 Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

7. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Chapter 11 Debtors or the Foreign Representative, or affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies outside of Canada, (ii) empower any of the Chapter 11 Debtors to carry on any business in Canada which that Chapter 11 Debtor is not lawfully entitled to carry on, (iii) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (iv) prevent the filing of any registration to preserve or perfect a security interest, or (v) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

8. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Chapter 11 Debtors and affecting the Business in Canada, except with leave of this Court.

ADDITIONAL PROTECTIONS

9. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Chapter 11 Debtors or statutory or regulatory mandates for

the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of the Chapter 11 Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Chapter 11 Debtors, and that the Chapter 11 Debtors shall be entitled to the continued use in Canada of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names.

10. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Chapter 11 Debtors with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Chapter 11 Debtors whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

11. **THIS COURT ORDERS** that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, and shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

OTHER PROVISIONS RELATING TO INFORMATION OFFICER

12. **THIS COURT ORDERS** that the Information Officer:

- (a) is hereby authorized to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
- (b) shall report to this Court as deemed necessary with respect to the status of these proceedings and the status of the Foreign Proceedings, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;
- (c) in addition to the periodic reports referred to in paragraph 12(b) above, the Information Officer may report to this Court at such other times and intervals as the Information Officer may deem appropriate with respect to any of the matters referred to in paragraph 12(b) above;
- (d) shall have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Chapter 11 Debtors, to the extent that is necessary to perform its duties arising under this Order;
- (e) shall have the power to monitor the Chapter 11 Debtors' Canadian receipts and disbursements;

- (f) shall assist the Chapter 11 Debtors, to the extent required by the Chapter 11 Debtors under the DIP Facility, in its dissemination to the DIP Lenders and counsel to the DIP Lenders of financial and other information which may be used in these proceedings and in reporting to the DIP Lenders pursuant to the terms under the DIP Facility;
- (g) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (h) shall perform such other duties as are required by this Order or by the Court from time to time.

13. **THIS COURT ORDERS** that the Chapter 11 Debtors and the Foreign Representative shall (i) advise the Information Officer of all material steps taken by the Chapter 11 Debtors or the Foreign Representative in these proceedings or in the Foreign Proceedings, (ii) co-operate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (iii) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

14. **THIS COURT ORDERS** that the Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be

deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

15. **THIS COURT ORDERS** that the Information Officer (i) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed herein, and such other materials as this Court may order from time to time, and (ii) may post on its website any other materials that the Information Officer deems appropriate.

16. **THIS COURT ORDERS** that the Information Officer may provide any creditor of a Chapter 11 Debtor with information provided by the Chapter 11 Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Information Officer. The Information Officer shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by the Chapter 11 Debtors is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Information Officer, the Foreign Representative and the relevant Chapter 11 Debtors may agree.

17. **THIS COURT ORDERS** that the Information Officer and counsel to the Information Officer shall be paid by the Chapter 11 Debtors their reasonable fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. The Chapter 11 Debtors are hereby authorized and

directed to pay the accounts of the Information Officer and counsel for the Information Officer on a monthly basis.

18. **THIS COURT ORDERS** that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Information Officer and its legal counsel are hereby referred to a judge of the Manitoba Court of the Queen's Bench, and the accounts of the Information Officer, its counsel and counsel to the Chapter 11 Debtors in these proceedings shall not be subject to approval in the Foreign Proceeding.

ADMINISTRATION CHARGE

19. **THIS COURT ORDERS** that the Information Officer, counsel to the Information Officer, and counsel to the Chapter 11 Debtors, shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property in Canada, which charge shall not exceed an aggregate amount of \$200,000.00 as security for their professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs [21] and [23] hereof.

INTERIM FINANCING

20. **THIS COURT ORDERS**, subject to further Order of this Court to be sought after the US Court enters a final order in respect of the DIP Facility, that the DIP Lenders shall be entitled to the benefit of and are hereby granted a charge (the "**DIP Lenders' Charge**") on the Property in Canada, which DIP Lenders' Charge shall be consistent with

the liens and charges created by the interim order made in the Chapter 11 proceedings authorizing the Chapter 11 Debtors to obtain post-petition financing dated May 27, 2015 pursuant to the terms of the DIP Facility up to an aggregate amount of US\$5,363,413.00 provided however that the DIP Lenders' Charge with respect to the Property in Canada, shall have the priority set out in paragraphs [21] and [23] hereof, and further provided that the DIP Lenders' Charge shall not be enforced except with leave of this Court.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

21. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lenders' Charge, as among them, shall be as follows:

First – Administration Charge to the maximum amount of \$200,000.00.

Second – DIP Lenders' Charge to the maximum amount of US\$5,363,413.00, or its equivalent in Canadian currency

22. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge or the DIP Lenders' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect the Charges.

23. **THIS COURT ORDERS** that each of the Administration Charge and the DIP Lenders' Charge (all as constituted and defined herein) shall constitute a charge on the Property in Canada and such Charges shall rank in priority to all other security interests,

trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

24. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Chapter 11 Debtors shall not grant any Encumbrances over any Property in Canada that rank in priority to, or *pari passu* with, the Administration Charge or the DIP Lenders' Charge, unless the Chapter 11 Debtors also obtain the prior written consent of the Information Officer and the DIP Lenders.

25. **THIS COURT ORDERS** that the Administration Charge and the DIP Lenders' Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by a Chapter 11 Debtor of any Agreement to which it is a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Chapter 11 Debtors to the Chargees pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

26. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Chapter 11 Debtor's interest in such real property leases.

GENERAL

27. **THIS COURT ORDERS** that the Information Officer may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. **THIS COURT ORDERS** that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of any Chapter 11 Debtor, the Business or the Property.

29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory, governmental or administrative body having jurisdiction in Canada,

the United States or elsewhere, to give effect to this Order and to assist the Chapter 11 Debtors, the Information Officer and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory, governmental and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors, the Information Officer and their respective agents, as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the Information Officer and their respective agents in carrying out the terms of this Order.

30. **THIS COURT ORDERS** that each of the Chapter 11 Debtors, the Foreign Representative and the Information Officer 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.

31. **THIS COURT ORDERS** that the Guidelines for Court-to-Court Communications in Cross-Border Cases developed by the American Law Institute and attached as Schedule "L" hereto is adopted by this Court for the purposes of these recognition proceedings.

32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days' notice to the Chapter 11 Debtors, the Foreign Representative, the Information Officer and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

33. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. Central Daylight Time on the date of this Order.
