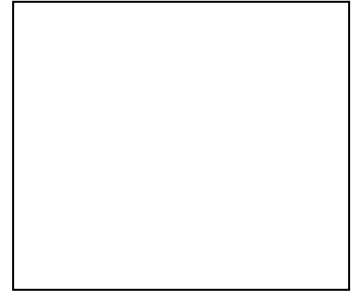


SCHEDULE "C"



COURT FILE NUMBERS 1301-04364
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF POSEIDON
CONCEPTS CORP., POSEIDON CONCEPTS
LTD., POSEIDON CONCEPTS LIMITED
PARTNERSHIP AND POSEIDON CONCEPTS
INC.

APPLICANTS POSEIDON CONCEPTS CORP., POSEIDON
CONCEPTS LTD., POSEIDON CONCEPTS
LIMITED PARTNERSHIP, AND POSEIDON
CONCEPTS INC.

DOCUMENT **ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT Bennett Jones LLP
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File No.: 11866-66

DATE ON WHICH ORDER WAS PRONOUNCED: May 4, 2018

LOCATION OF HEARING OR TRIAL: Calgary, Alberta

NAME OF JUDGE WHO MADE THIS ORDER: Justice Horner

THE APPLICATION OF Poseidon Concepts Corp., Poseidon Concepts Ltd., Poseidon Concepts Limited Partnership, and Poseidon Concepts Inc. (collectively, the "**Applicants**") and by the Class Representatives, in their own and in a representative capacity, and by the Senior Secured Creditors, in the proceeding in the Court of Queen's Bench of Alberta bearing Court File No. 1301-04364 (the "**CCAA Proceedings**") for an Order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") approving and giving effect to: (i) the Amended Plan of Compromise and Arrangement dated April 6, 2018 attached as Schedule "A" hereto, as amended, varied or supplemented from time to time in accordance with its terms (the "**Plan**"); and, (ii) the Settlement Agreement, dated April 6, 2018 attached as Schedule "B" hereto (the "**Settlement Agreement**"), was considered this day, at the Court of Queen's Bench of Alberta at the Calgary Court Centre, 601-5th Street SW, City of Calgary, in the Province of Alberta;

UPON READING the Notice of Application; the Forty-● Report of PricewaterhouseCoopers Inc., in its capacity as monitor of the Applicants (the "**Monitor**"), dated April ●, 2018 (the "**Monitor's Report**"); as well as the other materials filed by the parties;

AND UPON HEARING the submissions of counsel for the Applicants, counsel for the Monitor, Class Counsel, and such other counsel as were present;

AND UPON BEING ADVISED that all of the Settling Parties support the Plan and the Settlement Agreement;

IT IS HEREBY ORDERED AND DECLARED THAT:

DEFINED TERMS

1. Any capitalized terms not otherwise defined in this Order shall have the meanings ascribed to such terms in the Plan and the Settlement Agreement.

SERVICE, NOTICE, AND MEETING

2. The time for service of the Notice of Application and the Monitor's Report is hereby abridged and validated so that this Application is properly returnable today, and the Court hereby dispenses with further service.

3. There has been good and sufficient notice, service, and delivery of the Meeting and Hearing Order, Plan, and Settlement Agreement to all Persons upon which notice, service, and delivery was required. All applicable parties adhered to, and acted in accordance with, the Meeting and Hearing Order and the Global Settlement Notice Order. All Persons shall be forever barred from raising any further objection to the Plan or the Settlement Agreement.
4. The Meeting was duly convened and held, all in conformity with the CCAA and the orders of this Court, including, without limitation, the Meeting and Hearing Order.

APPROVAL OF THE PLAN AND THE SETTLEMENT AGREEMENT

5. The Plan, the Settlement Agreement, and all the terms and conditions thereof, and matters and transactions contemplated thereby, are fair and reasonable.
6. The Plan is hereby sanctioned and approved pursuant to Section 6 of the CCAA.
7. The Settlement Agreement is hereby approved pursuant to Section 11 of the CCAA.
8. The terms of the Plan and the Settlement Agreement are incorporated by reference into this Order and are hereby approved.

PLAN AND SETTLEMENT AGREEMENT IMPLEMENTATION

9. At the Effective Time on the Plan Implementation Date, the Plan shall be final, binding, and effective in accordance with its terms against, and enure to the benefit of, as the case may be, the Applicants, the Released Parties, the Affected Creditors, the Class Representatives, the Class Members, and all other Persons and parties named or referred to in, affected by, or subject to the Plan, including, without limitation, respective heirs, executors, administrators, legal representatives, successors, and assigns of all of them without any ability to “opt-out” or otherwise not be bound by the Plan.
10. At the Effective Time on the Plan Implementation Date, the Settlement Agreement shall be final, binding, and effective against the Class Representatives and Class Members, as well as any Person who is a plaintiff/applicant, defendant/respondent, third, fourth, or

subsequent party or mis-en-cause in any Claim, including the Class Actions, without any ability to “opt-out” or otherwise not be bound by the Settlement Agreement.

11. Each Person named or referred to in, or subject to, the Plan is hereby deemed to have consented and agreed to all of the provisions of the Plan, in its entirety, and is hereby deemed to have executed and delivered all consents, releases, assignments, and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.
12. Each of the Applicants is authorized and directed, and the Monitor, Senior Secured Creditors, Released Parties, and the Class Representatives are authorized and empowered, to take all steps and actions, and to do all things, necessary or appropriate to implement the Plan and the Settlement Agreement in accordance with their terms, and to enter into, execute, deliver, complete, implement, and consummate all of the steps, transactions, distributions, deliveries, allocations, instruments, and agreements contemplated pursuant to the Plan including but not limited to the Monitor executing the release at Schedule “E” to the Plan, the amending agreement at Schedule “F” to the Plan, and such steps and actions are hereby authorized, ratified and approved.
13. On or after the Plan Implementation Date, the Class Settlement Funds shall be held, allocated, and distributed by Class Counsel in accordance with the further order of this Court.
14. Upon being provided with confirmation satisfactory to it that the conditions precedent set out in article 6.1 of the Plan have been satisfied or waived, as applicable, in accordance with the terms of the Plan, the Monitor is hereby authorized and directed to deliver to the Applicants, the Class Representatives, the Senior Secured Creditors, the Settling Defendants and the other parties to the service list in the CCAA Proceeding, a certificate signed by the Monitor (the "**Monitor's Certificate**") certifying that the Plan Implementation Date has occurred and that the Plan and this Sanction Order are effective in accordance with their respective terms, and, following delivery of the Monitor's Certificate as contemplated above, the Monitor shall file the Monitor's Certificate with this Court and with the United States Bankruptcy Court.

15. Section 36.1 of the CCAA, sections 95 to 101 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, and any other federal or provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or oppressive misconduct, shall not apply to the Plan or to any transactions, distributions, transfers, allocations, transactions, or payments implemented pursuant to the Plan, the Settlement Agreement, or this Order.
16. The steps, compromises, releases, injunctions, discharges, cancellations, transactions, arrangements, and reorganizations to be effected on the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated in the Plan, without any further act or formality, beginning at the Effective Time.
17. On the Plan Implementation Date, (a) Poseidon shall establish an Administration Charge Reserve in the approximate amount of \$200,000, or such other amount as agreed to by the Monitor and the Senior Secured Creditors, which cash reserve: (i) shall be maintained and administered by the Monitor, in trust, for the purpose of paying any amounts secured by the Administration Charge; and (ii) upon the termination of the Administration Charge pursuant to the Plan, shall be paid to the Senior Secured Creditors in addition to any other amounts payable pursuant to the Plan; and (b) the Directors' Charge and the previously existing Administration Charge shall be vacated and discharged in all respects.

COMPROMISE OF CLAIMS, RELEASE AND DISCHARGE OF CLAIMS

18. On the Plan Implementation Date, any and all Affected Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, and barred, subject only to the right of the applicable Persons to receive the distributions and interests to which they are entitled pursuant to the Plan.
19. Pursuant to Article 5.1 of the Plan, and subject to Article 5.2 of the Plan, the Released Parties are fully, finally, irrevocably, absolutely, and forever released, remised and discharged from all Claims, including those identified in Article 5.1 of the Plan, as of the Effective Time on the Plan Implementation Date pursuant to the Plan and this Order.
20. Pursuant to Articles 5.1 and 5.3 of the Plan, and subject to Articles 5.2, 5.4 and 5.8 of the Plan, as of the Plan Implementation Date, the ability of any Person to proceed

against the Released Parties in respect of any Released Claim shall be forever discharged, barred and restrained, and all proceedings with respect to, in connection with or relating to any such matter shall be permanently barred, estopped, stayed and enjoined.

21. Pursuant to Article 5.3 of the Plan and subject to Articles 5.4 and 5.8 of the Plan, all Persons (regardless of whether or not such Persons are creditors or Claimants), including the Settling Defendants, Class Representatives, Class Members, Poseidon, and the Released Parties shall be permanently and forever barred, estopped, stayed and enjoined, as of the Effective Time on the Plan Implementation Date, from taking any step, or doing any activity or other thing, identified in Article 5.3 of the Plan.
22. Pursuant to section 4(a) of the Settlement Agreement, and subject to section 4(b) of the Settlement Agreement, the Released Parties are fully, finally, irrevocably, absolutely, and forever released, remised and discharged from all Claims, including those identified in section 4(a) of the Settlement Agreement, as of the Effective Time on the Plan Implementation Date pursuant to the Settlement Agreement and this Order.
23. Pursuant to section 4(c) of the Settlement Agreement and subject to section 4(d) of the Settlement Agreement, all Persons (regardless of whether or not such Persons are creditors or Claimants), including the Settling Defendants, Class Representatives, Class Members, Poseidon, and the Released Parties shall be permanently and forever barred, estopped, stayed and enjoined, as of the Effective Time on the Plan Implementation Date, from taking any step, or doing any activity or other thing, identified in section 4(c) of the Settlement Agreement. Nothing in the Settlement Agreement or in this Order shall bar, estop, stay or enjoin any of the steps or activities or other things identified in section 4(d) of the Settlement Agreement.
24. The Class Actions, the Monitor Action, the Senior Secured Creditor Action and any and all claims, counterclaims, crossclaims, and third (or subsequent) party claims related thereto, including the KPMG Claim, are to be dismissed, with prejudice and without costs, pursuant to the Plan and the Settlement Agreement.
25. No further Claims by or against the Released Parties may be commenced.

26. In accordance with Article 4.7 of the Plan and section 3(d) of the Settlement Agreement:
- (a) under no circumstances shall the Released Parties be liable to make any further financial contribution or payment in respect of any Claim including the Class Actions, Monitor Action, KPMG Claim, Underwriter Claim, or Senior Secured Creditor Action, nor shall the Released Parties have any liability whatsoever for or have any exposure whatsoever to anything directly or indirectly, related to, arising out of, based on, or connected with the Class Actions, Monitor Action, KPMG Claim, Underwriter Claim, or Senior Secured Creditor Action, over and above the payment of the Poseidon Settlement Funds and the Class Settlement Funds;
 - (b) costs associated with any notices required in connection with the Plan and the Settlement Agreement shall not be paid for by the Released Parties; and
 - (c) the Poseidon Settlement Funds and the Class Settlement Funds are:
 - (i) the full monetary contribution or payment of any kind to be made by the Released Parties, and is inclusive of all costs, interest, legal fees, taxes (inclusive of any GST, HST, or any other taxes that may be payable in respect of the Plan or the Settlement Agreement), costs associated with any distributions, further litigation, administration or otherwise; and
 - (ii) a tangible and meaningful contribution on behalf of the Released Parties to the resolution of issues on the terms set out in the Plan and the Settlement Agreement.

POWERS OF THE MONITOR

27. In connection with its role holding funds and making or facilitating payments and distributions contemplated by the Plan:
- (a) the Monitor is solely doing so as administrative payment agent for the Applicants and neither the Monitor nor PricewaterhouseCoopers Inc. has agreed to become, and neither is assuming any responsibility as a receiver, assignee, curator, liquidator, administrator, receiver-manager, agent of the creditors or legal

representative of any of the Applicants within the meaning of any relevant tax legislation;

- (b) the Monitor shall be provided with and is entitled to have access to all of the non-privileged books and records of the Applicants and to all non-privileged documents and other information required by it from time to time, whether in the possession of the Applicants or a third party, in connection with its role hereunder; and
 - (c) the Monitor shall not exercise discretion over the funds to be paid or distributed hereunder and shall only make payments as contemplated by the Plan, this Order and any future Order of this Court.
28. Any payments and deliveries made by, or with the consent of, the Monitor in accordance with the Plan or this Order (including without limitation payments made to or for the benefit of the Affected Creditors) shall not constitute a "distribution" for the purposes of any federal, provincial or territorial tax legislation (collectively, the "**Tax Statutes**"), and the Monitor, in making any such payments is merely a disbursing agent under the Plan and is not exercising any discretion in making payments under the Plan and is not "distributing" such funds for the purpose of the Tax Statutes, and the Monitor shall not incur any liability under the Tax Statutes in respect of payments or deliveries made by it, or with its consent, and the Monitor is hereby forever released, remised and discharged from any claims against it under or pursuant to the Tax Statutes or otherwise at law, arising in respect of or as a result of payments made by, or with the consent of the Monitor in accordance with the Plan and this Order and any claims of this nature are hereby forever barred.
29. From and after the Plan Implementation Date, in addition to its prescribed rights and obligations under the CCAA and the powers provided to the Monitor herein and in the Plan, the Monitor shall be empowered and authorized, but not obligated, to:
- (a) take such actions and execute such documents, in the name of and on behalf of the Applicants, as the Monitor considers necessary or desirable in order to:

- (i) effect the liquidation, bankruptcy, winding-up or dissolution of the Applicants;
 - (ii) facilitate the completion and administration of the estates of the Applicants in the CCAA Proceeding and any other proceedings commenced in respect of the Applicants or any of them; and,
 - (iii) act, if required, as trustee in bankruptcy, liquidator, receiver or a similar official of such entities;
- (b) exercise any powers which may be properly exercised by any officer, any member of the board of directors or of the board of directors of any of the Applicants except for the waiver of privilege belonging to the Applicants;
 - (c) cause the Applicants to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the Applicants in dealing with their operations, restructuring, wind-down, liquidation or other activities except for the waiver of privilege belonging to the Applicants;
 - (d) engage assistants or advisors or cause the Applicants to engage assistants or advisors as the Monitor deems necessary or desirable to carry out the terms of the Orders in the CCAA Proceeding or for purposes of the Plan; and
 - (e) apply to this Court for any orders necessary or advisable to carry out its powers and obligations under any other Order granted by this Court including for advice and directions with respect to any matter,

and in each case where the Monitor takes any such actions or steps it shall not be deemed to be a director or officer of the Applicants, and it shall be exclusively authorized and empowered to take any such actions or steps, to the exclusion of all other Persons, and without interference from any other Person, provided that the Monitor shall comply with all applicable law.

- 30. Without limiting the provisions of the Initial Order or the provisions of any other Order granted in the CCAA Proceeding, including this Order, the Applicants shall remain in possession and control of the Property (as defined in the Plan) and Business (as defined

in the Initial Order) and the Monitor shall not take possession or be deemed to be in possession and/or control of the Property or Business.

31. Nothing herein shall constitute or be deemed to constitute the Monitor as a receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of any of the Applicants within the meaning of any relevant legislation.
32. The Monitor's Report, and the Monitor's activities and conduct in relation to the Applicants up to the date hereof, including the activities described in the foregoing Report, are hereby approved.
33. That: (i) in carrying out the terms of this Order and the Plan, the Monitor shall have all the protections given to it by the CCAA, the Initial Order, and as an officer of the Court, including the stay of proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of and exercising the powers given to it under this Order and the Plan, save and except for any gross negligence or wilful misconduct on its part; (iii) the Monitor shall be entitled to rely on the books and records of the Applicants and any information provided by the Applicants without independent investigation; and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

DECLARATIONS RE INSURANCE

34. The Contribution:
 - (a) does not violate the interests of the Class Representatives, the Class, the Monitor, the Senior Secured Creditors, KPMG, the Underwriters, or any other Person who might have a claim against any person or entity potentially covered under the Insurance Policies;
 - (b) constitutes covered Loss (as defined in the Insurance Policies);
 - (c) reduces the Limits of Liability (as defined in the Insurance Policies) under the Insurance Policies for all purposes, regardless of any subsequent finding by any court, tribunal, administrative body or arbitrator, in any proceeding or action, that the Settling Defendants, or any of them, engaged in conduct that triggered or may

have triggered any exclusion, term or condition of the Insurance Policies, or any of them, so as to disentitle them to coverage under the Insurance Policies, or any of them;

- (d) is without prejudice to any coverage positions or reservations of rights taken by the Insurers in relation to any other matter advised to the Insurers or any other Claim (as defined in the Insurance Policies) made or yet to be made against the Insureds, provided that neither coverage nor payment in respect of the settlement of the Class Actions, the Monitor Action or the Senior Secured Creditor Action, nor the settlement of the Class Actions, the Monitor Action or the Senior Secured Creditor Action, will be voided or impacted by any such coverage position or reservation of rights; and
 - (e) fully and finally releases the Insurers from any further obligation, and from any and all claims against them under or in relation to the Insurance Policies, in respect of the portion of the Limits of Liability that were expended to fund the Contribution.
35. Once the Contribution has been funded, there is no further coverage under the Insurance Policies for Poseidon. For clarity, this declaration is not intended to, and does not, extinguish any remaining coverage under the Insurance Policies for the individual Insureds.
36. With the exception of payment in the aggregate amount of CAD \$30,000 by the Insurers towards the settlement of regulatory proceedings by the Chartered Professional Accountants of Alberta against Lyle Michaluk, which shall be treated as Criminal / Regulatory Defence Costs, the determination of what constitutes reasonable Defence Costs paid or payable by any of the Insurers for Criminal/Regulatory Defence Costs and which reduce the amount of the Final Instalment of the Poseidon Settlement Funds and the Final Instalment of the Class Settlement Funds, all such terms as defined in Article 1.1 of the Plan, shall be within the sole purview and discretion of the Insurer paying them in accordance with the applicable litigation guidelines and, except for the individual Insured on whose behalf they are being paid, shall not be subject to review or challenge

by any other Person, including but not limited to the Monitor, the Senior Secured Creditors, Class Members or the Class Representatives.

37. In addition to the reduction of the Limits of Liability under the Policies pursuant to Article 5.8(a)(iii) of the Plan and section 4(h)A.III. of the Settlement Agreement, the Limits of Liability under the following Policies will be deemed to have been further reduced by the following amounts pursuant to an agreement between the Insurers and the Insureds under the Policies:

Policy Issued by:	Policy	Limits of Liability to be Reduced by:
Encon Group Inc.	DO-409880	\$250,000
Chubb Insurance Company of Canada	8224-5964	\$250,000
Travelers Insurance Company of Canada	75237516	\$250,000
Royal & Sun Alliance Insurance Company of Canada	9500854	\$250,000
Chartis Insurance Company of Canada, now known as AIG Insurance Company of Canada	01-340-62-02	\$2,500,000
Lloyd's Underwriters	ODLA052012-10150	\$0

STAY EXTENSION

38. The Stay Period in the Initial Order be and is hereby extended until and including ◆, or such later date as this Court may order.

EFFECT, RECOGNITION AND ASSISTANCE

39. This Court shall retain an ongoing supervisory role for the purposes of implementing, administering and enforcing the Plan and the Settlement Agreement and matters related to the Class Settlement Funds. Any disputes arising with respect to the performance or effect of, or any other aspect of, the Settlement Agreement shall be determined by this Court, and, except with leave of this Court first obtained, no person or party shall commence or continue any proceeding or enforcement process in any other court or

tribunal, with respect to the performance or effect of, or any other aspect of the Plan or Settlement Agreement.

40. This Order shall have full force and effect in all provinces and territories of Canada and abroad as against all persons and parties against whom it may otherwise be enforced.
41. The Applicants, the Released Parties, Class Representatives, the Senior Secured Creditors, and the Monitor shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order, or any further order as may be contemplated by the Plan or the Settlement Agreement or be otherwise required, and for assistance in carrying out the terms of this Orders, the Plan and the Settlement Agreement.
42. The aid and recognition of any court or any judicial, regulatory or administrative body having jurisdiction in Canada, the United States, or in any other foreign jurisdiction, to give effect to this Order and to assist the Applicants, the Released Parties, the Monitor, the Class Representatives, the Senior Secured Creditors and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants, the Monitor, the Class Representatives, and the Senior Secured Creditors, as may be necessary or desirable to give effect to this Order or to assist them in carrying out the terms of this Order, including, without limitation, by granting representative status to the Monitor in any foreign proceeding.
43. Any conflict or inconsistency between the Plan and this Order shall be governed by the terms, conditions and provision of the Plan, which shall take precedence and priority.
44. Any conflict or inconsistency between the Settlement Agreement and this Order shall be governed by the terms, conditions and provision of the Settlement Agreement, which shall take precedence and priority.