

COURT FILE NUMBER 1601-05495
COURT Court of Queen's Bench of Alberta
JUDICIAL CENTRE Calgary
PLAINTIFF NATIONAL BANK OF CANADA
DEFENDANT MOSAIC ENERGY LTD.



IN THE MATTER OF THE RECEIVERSHIP OF
MOSAIC ENERGY LTD.

APPLICANT ERNST & YOUNG INC. in its capacity as Court-
appointed Receiver of the current and future assets,
undertakings and properties of MOSAIC ENERGY
LTD.

DOCUMENT **ORDER (EMPLOYEE CLAIMS PROCEDURE
AMENDMENT)**

ADDRESS FOR SERVICE
AND
CONTACT INFORMATION
OF
PARTY FILING THIS
DOCUMENT

Norton Rose Fulbright Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2 CANADA

Tel: +1 403.267.8222
Fax: +1 403.264.5973
Email: howard.gorman@nortonrosefulbright.com
randal.vandemosselaer@nortonrosefulbright.com

Attention: Howard A. Gorman, Q.C. / Randal S. Van de Mosselaer
File no.: 01128610-0068

I hereby certify this to be a true copy of
the original order
Dated this 27 day of Oct 2016
for Clerk of the Court AKV

DATE ON WHICH ORDER WAS PRONOUNCED: October 26, 2016

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Madam Justice B. Romaine

LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION of Ernst & Young Inc., in its capacity as Court-appointed receiver (the "Receiver") of the current and future assets, undertakings and properties of Mosaic Energy Ltd. ("Mosaic"); **AND UPON** having read the Receivership Order granted by the Honourable Justice P.R. Jeffrey dated April 26, 2016, filed (the "Receivership Order"); **AND UPON** having read the Claims Procedure Order granted by the Honourable Justice A. D. Macleod dated September 14, 2016 (the "Claims Procedure Order"); **AND UPON** reviewing the Third Report of the Receiver (the "Third Report"), hearing submissions from counsel for the Receiver, and from any other parties present,

IT IS HEREBY ORDERED THAT:

1. Capitalized terms not otherwise defined shall have the same meaning given to them in the Claims Procedure Order.

2. The Employee Claims Procedure is hereby amended, revised and clarified as follows:

- a) Paragraph 4 of the Employee Claims Procedure is hereby amended by adding the following to the end of that paragraph:

"The Receiver shall be at liberty to calculate and satisfy (in whole or in part) the amount and classification of Employees' Proven Claims by prior notice of the termination of such Employee's employment ("**Working Notice**"), or by providing a Claim in lieu of Working Notice, or by any combination thereof, and the Receiver is at liberty to advise such Employee of the basis on which such Employee's Proven Claim is to be satisfied ."

- b) The following paragraphs shall be added following paragraph 18 of the Employee Claims Procedure:

19. Notwithstanding anything else in this Employee Claims Procedure, the Receiver shall be at liberty to satisfy (in whole or in part) any Employee's Proven Claim by providing such Employee with Working Notice, or with a Claim in lieu of Working Notice, or by any combination thereof which equals the Employee's Proven Claim.

20. Notwithstanding anything else in this Employee Claims Procedure, unless an Employee files an Employee Proof of Claim setting out the amount and classification of an Employee's Claim by not later than Claims Bar Date for such Proofs of Claim (in which case the provisions of paragraphs 7 to 18 shall apply (with such changes as may be necessary), an Employee's Proven Claim shall be reduced to zero in the event:

- (a) such Employee voluntarily resigns his or her employment prior to the end of any Working Notice that may be provided to such Employee (provided that such resignation is not the result of a constructive dismissal), or
- (b) such Employee is terminated for Just Cause (as that term is defined at law), or

(c) such Employee is offered substantially similar employment by any purchaser of Mosaic's business or assets.

3. All current Employees shall be deemed to have been provided, as of September 20, 2016, with notice that their employment is to be terminated by not later than January 31, 2017, and such period shall be deemed to be "Working Notice". However, the Receiver, in its sole discretion, shall be entitled to terminate the employment of any Employee prior to January 31, 2017 by providing such Employee with a payment equal to the compensation that such Employee would have received between such termination date and January 31, 2017.
4. All Employees who were terminated as of June 30, 2016 shall be deemed to have been provided with notice of such termination on May 4, 2016, and such period shall be deemed to be "Working Notice."
5. Any Employee Claims Packages which the Receiver provided to Employees prior to the date of this Order are hereby declared to be void and of no force or effect, and the Receiver is hereby directed to issue revised Employee Claims Packages ("**Revised Employee Claims Package**"), by regular prepaid mail, fax, courier, or email on or before October 31, 2016, which Revised Employee Claims Packages will set out the amount and classification of such Employee's Claim as assessed by the Receiver (the amount of such Employee's Claim being adjusted for the Reduced Work Week Adjustment, as that term is defined in the Third Report);
6. For purposes of Employee Claims and Employee Proof of Claims, and notwithstanding paragraph 5(d) of the Claims Procedure Order, the Claims Bar Date is hereby extended to November 25, 2016 only in respect of the filing of Employee Proofs of Claim with the Receiver by Employees.
7. In all other respects, the Employee Claims Procedure which is attached as Schedule "B" to the Claims Procedure Order is hereby ratified and affirmed, with such changes as may be necessary by virtue of the foregoing.



Justice of the Court of Queen's Bench of Alberta